

**2008 State Damage Prevention Program Grants Final Report**  
**Funding Opportunity Number: DTPH56-08-SN-0001**  
**CFDA Number: 20.720**

**Award Number:** DTPH56-08-G-PHPS11  
**Project Title:** Digitizing Enforcement Actions  
**Date Submitted:** August 31, 2009  
**Submitted by:** Mary McDaniel

**Specific Objective(s) of the Agreement**

Under this grant award the Railroad Commission of Texas will digitize all images associated with enforcement activities stemming from third party damage to underground pipeline facilities. As a result, the Commission will enhance its online data reporting system by providing open access to all documents associated with enforcement activity.

**Workscope**

Under the terms of this agreement, the Grantee will address the following elements listed in 49 USC §60134 through the actions it has specified in its Application.

- *Element (6):* A process for resolving disputes that defines the State authority's role as a partner and facilitator to resolve issues.
- *Element (7):* Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority.

**Accomplishments for the grant period (Item 1 under Agreement Section 9.02 Final Report: "A comparison of actual accomplishments to the objectives established for the period.")**

The Commission's Safety Division began enforcing damage prevention for the "movement of earth" on or in the vicinity of pipelines in September 2007. During the first twelve months of the program there were approximately 16,350 reports of damages submitted via the Commission's online damage reporting system. Damage reporting for year two appears to follow the same trend.

The Railroad Commission began work on grant DTPH56-08-G-PHPS11 in October 2008, following a delay in the development of the paperless review process. The Commission seeks to improve the transparency of enforcement activities by making such actions available to stakeholders with the goal of fostering the support, education, and partnership of all interested parties. The Commission continues to enhance its online data reporting system by providing open access to all documents associated with third-party damage enforcement actions related to underground pipeline facilities.

**Quantifiable metrics/measures of effectiveness (Item 2 under Agreement Section 9.02 Final Report: "Where the output of the project can be quantified, a computation of the cost per unit of output.")**

In the period of June 2008 through May 2009, the Commission reports the following activity level for Element 6 and Element 7:

- 20,198 on-line damage reports, with 12,914 filed by operators and 7,284 filed by excavators.
- 2,698 dockets went to Commissioners' conference, including 965 for operators and 1,733 for excavators, with a total penalty amount collected of \$651,815.
- 326 no damage reports were received, 110 for non-compliance activities and 216 for second notice complaints.

During the eight month period from October 2008 to May 2009, using grant funds the Commission scanned 12,814 documents, with a total page count of 93,602 at a cost of \$61,527.23 or a per page cost of \$0.66. Scanning includes: closed reports, closed dockets, safety division mail, returned mail, signed agreed orders, release notices, supporting documents and no damage reports.

**Issues, problems or challenges (Item 3 under Agreement Section 9.02 Final Report: "The reasons for slippage if established objectives were not met. ")**

The project's start date was delayed until October 2008 as the Commission opted not to use Neubus as a digitizing contractor, but instead opted to obtain temporary services to perform the work and to lease or purchase the necessary equipment to prepare, scan, and process the documents.

The initial project timeline depended on having a paperless process for the damage prevention enforcement program. The Commission's enforcement system did not become totally paperless until September 2008, delaying the start of the project. This funding allowed the Commission to scan all of the documents associated with each report that is filed into an online system and in current hard copy form. The files were scanned and loaded as attachments to each of the individual listed reports that are online. All additional paper documents that are filed by excavators and operators in order to supplement their online report are scanned and attached to their report. The technical reviewer is able to view all of the documents at his or her workstation online.

**Other pertinent information including, when appropriate, actions taken to address the recommendations PHMSA provided in correspondence dated April 4, 2008:**

The Commission is working towards a consistent application of enforcement regulations and continues to have open communication with all of the stakeholders involved in the damage prevention enforcement effort. For the grant period June 1, 2008 through May 31, 2009, 2,698 agreed order dockets were completed with \$651,815 collected in penalties.

The Railroad Commission acknowledges the recommendations provided by PHMSA in correspondence dated April 4, 2008 and offers the following additional information:

- a. PHMSA sought more detail on the Commission's commitment to quality controls in timing, personnel, and costs for deliverables in exchange for the grant.

The Commission determined that it would have greater control over the quality of the grant product (i.e., the digitized documents and the association of the documents within the online reporting system) by scanning the documents in-house rather than rely on the

contractor Neubus to provide the service, as was originally proposed in the grant application.

- b. PHMSA questioned if there were plans in place to include enforcement authority beyond excavation near pipelines.

The Texas Legislature must grant any additional enforcement authority. The Legislature convened in January 2009, and did not expand enforcement authority within the state. The Railroad Commission continues to only have statutory authority over excavation near pipelines.

- c. PHMSA questioned the decision to target post damage sites instead of following a more proactive enforcement strategy

The Railroad Commission began its damage prevention program in September 2007 with the intent to implement a proactive program. In the program's limited existence, the large volume of damage reports created a reactive initial program. This funding along with the 2009 award provided critical resources to allow the Commission to more fully establish its program and address an initial, more concentrated number of damage reports. The Commission anticipates that it will take on a more proactive role in the future.

#### **Final Financial Status Report**

The final financial report has been sent as a separate attachment sent to the AA.

#### **Requests of the AOTR and/or PHMSA**

No actions requested at this time.