

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE
Subcommittee on Energy and Power

Response to Additional Questions for the Record
TO: The Honorable Pete Olsen

*Benefits of and Challenges to Energy Access in the 21st Century: Fuel Supply and
Infrastructure*

FROM: Shorty Whittington

1. **Mr. Whittington, there are federal actions that can be taken in a crisis like the propane shortage we are working through. However, I understand that my home State of Texas also helped by waiving requirements that trucks moving propane out of the State must be *from* Texas.**

Mr. Roldan commented that “The State of Texas deserves specific recognition for it’s efforts, which were crucial in getting propane supplies out of the State to the rest of the country.”

Can you describe how this action was useful, and what other State actions were taken to help alleviate shortages?

Mr. Congressman Olsen, the propane, or LPG, shortages the country has experienced this winter have necessitated extreme measures to meet demand.

The tight supply and higher prices of LPG are being blamed on an assortment of factors:

- Huge demand by farmers to dry crops that were harvested last fall;
- An increase in exports;
- The shutdown of Cochin, a Kinder Morgan pipeline, to the Midwest in December for maintenance;
- Burdensome federal and State regulations which do not add to safety; and
- The extreme weather experienced across the country.

The U.S. Energy Information Administration reported in February that LPG stocks were 44 percent below the year-ago level due to its scarcity. Prices have risen to almost \$4.00 a gallon, a staggering price hike.

These shortages have compelled suppliers to travel to Texas, Kansas, Mississippi, and elsewhere to get the necessary fuel. Typically, supplies for the Midwest are available at much shorter distances.

I concur with Mr. Roldan's comment in so far as Texas for taking responsible actions to ensure the safety of those requiring fuel across the country. I firmly believe, however, that the suspended State law is actually part of the problem, not part of the solution. Attempts by various States, including Texas and new Mexico for example, discourage efficient transportation of fuel supplies, do nothing to add safety, overlap existing regulations promulgated by the U.S. Department of Transportation, and place an undue burden on U.S. interState commerce.

The requirement for trucks moving propane out of the State which are not based in Texas must be registered with the Texas Railroad Commission is, at best, inequitable. The extensive licensing, inspection, testing and managerial fees administered by the Texas Railroad Commission place a large financial burden on suppliers, as well as inhibiting business operations.

Not only are these a one-time expense, they must be renewed annually, further inhibiting business operations and causing unnecessary delays. Furthermore, the fees do not increase safety in transportation; rather, the fee is deposited into the Texas General Fund for use in other areas.

Congressman, the federal regulations in place should preempt the Texas statute, as they take into consideration the interest of all transportation concerns. The Federal Hazardous Materials Transportation Act ("HMTA") provides safety by ensuring consistency in laws and regulations for inspections and test requirements. The conflicting requirements in Texas destroy uniformity and create unnecessary confusion, while discriminating against all out-of-State drivers and suppliers. This law is a logistical nightmare, with questionable legality. It would serve the country well to remove this inhibition.

The Texas Department of Public safety did waive limits on hours of service in Texas for fuel carriers providing emergency relief, along with numerous other States, to alleviate the shortage. This action merits recognition.

The actions taken by Texas were timely and sensible to assist those needing aid this winter. The action, however, should remain a permanent regulation for the State, in order to encourage safe and efficient interState commerce in the future and I highly encourage you to support the continued repeal of State laws which serve to thwart, rather than encourage, the timely and efficient flow of goods and commerce across our great Nation.