April 8, 2014

The Honorable Ed Whitfield
Chairman, Subcommittee on Energy and Power
House Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Rush
Ranking Member, Subcommittee on Energy and Power
House Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Whitfield and Ranking Member Rush:

On March 6, 2014, the Energy and Power Subcommittee held a hearing titled, “Benefits of and Challenges to Energy Access in the 21st Century: Fuel Supply and Infrastructure,” during which I testified on behalf of the 3,000 members of the National Propane Gas Association (NPGA). I would like to provide the Subcommittee with a more complete answer to Representative Pete Olson, who asked:

1. Mr. Roldan, 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 state must be from Texas.

   Mr. Roldan, you commented that “The State of Texas deserves specific recognition for its 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?

The 2013/2014 winter was very challenging for the propane industry, beginning with a strong crop drying season and extending through months of colder-than-normal temperatures. NPGA members worked very hard to serve their customers, but there are many people who contributed to resolving, and are still working to resolve, the issues posed by this year’s heating season. On behalf of the industry and our customers, NPGA wishes to thank these individuals and organizations for their commitment to finding both short-term and long-term solutions.

Governor Perry and the State of Texas deserves specific recognition for its efforts, which were crucial in getting propane supplies out of the state to the rest of the country. Texas is host to the largest primary storage of propane in the world, and many truck drivers from out of state traveled to Texas to obtain the fuel directly from the storage facilities near Mont Belvieu. Specifically, the state waived its permitting requirements for out-of-state vehicles, a process that can otherwise take as much as 30 days to complete. This allowed drivers from other states to immediately operate in Texas so they could transport their load back to their home state.

Many states including Texas granted Hours of Service (HOS) waivers, which have helped immensely. These waivers allow truck drivers to obtain needed propane from far-away places and deliver that propane to customers. Some states granted exemptions from weight limits for trucks traveling over

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state roads. While this does not allow drivers to carry overweight loads on interstate highways, it does help trucks carry additional fuel volumes up to the maximum amount of propane allowed by law even though the vehicle was overweight. A number of states have taken advantage of the Low-Income Home Energy Assistance Program (LIHEAP) to help consumers. At a time when we’ve seen unusually high prices, this program has provided much needed assistance to the customers who need it most.

Finally, we are grateful for the meetings with the Governors of numerous affected states, and the teleconferences with states’ energy, transportation, and agriculture officials that were held, which allowed the sharing of credible real-time information and increased coordination among all parties. It is my hope that these details have been helpful. Thank you again for the opportunity to testify before the Subcommittee and please let us know if we can ever be helpful in the future.

Sincerely,

Richard Roldan
President & Chief Executive Officer
National Propane Gas Association