

**SUBJECT:** Governance of the Railroad Commission by a single commissioner

**COMMITTEE:** Energy Resources — committee substitute recommended

**VOTE:** 6 ayes — Keffer, Crownover, Crabb, Farabee, Gonzalez Toureilles, Strama

1 nay — Craddick

2 absent — Hardcastle, Rios Ybarra

**WITNESSES:** For — Steve Howell, Howell Oil & Gas Inc.; Obie O'Brien, Apache Corp.; Clayton Williams, Jr.

Against — Jim Boyle, Atmos Texas Municipalities; Donna Warndof, Texas Independent Producers and Royalty Owners Association

On — Victor Carrillo, Railroad Commission of Texas; (*Registered, but did not testify*): Bill Stevens, Texas Alliance of Energy Producers)

**BACKGROUND:** Art. 16, sec. 30 of the Texas Constitution provides that the Texas Railroad Commission be governed by an elected three-member commission whose members serve staggered six-year terms.

**DIGEST:** CSHB 1231 would change all statutory references to a three-member Railroad Commission to a single railroad commissioner with a term of four years.

The bill would take effect January 1, 2013, only if the constitutional amendment proposed by the 81st Legislature, Regular Session, 2009, providing that the Railroad Commission of Texas be governed by a single elected railroad commissioner instead of by an elected three-member commission, is approved by the voters. If that amendment is not approved, the bill would have no effect.

**SUPPORTERS SAY:** By having the Texas Railroad Commission governed by a single commissioner, the state would save about \$950,000 per year or \$3.8

million over four years in salaries and benefits for the commissioners and their staff.

CSHB 1231 would streamline the decision-making process. Every decision or discussion must be done according to open meetings rules with a seven-day posting requirement. It can be difficult to coordinate the schedules of three elected officials.

The Railroad Commission is the only agency in the state with three elected officials. Streamlining the commission would provide a clearer policy direction and more efficiency, transparency, and accountability. The current situation can be compared to a car with three drivers and three steering wheels. Concentrating regulatory and administrative authority in a single commissioner, as with the elected heads of the General Land Office and the Texas Department of Agriculture and the appointed insurance commissioner, would allow the people to know who is accountable and responsible for actions that may affect their lives. Because the term of a single railroad commissioner would not begin until 2013, there would be time to make the appropriate adjustments for handling contested cases.

OPPONENTS  
SAY:

The Railroad Commission is a regulatory agency that decides contested case hearings. CSHB 1231 would eliminate a full commission with members of differing perspectives and expertise that cannot be achieved with a single representative. For good reason, there currently are no state utility commissions with only one commissioner.

Texans currently are burdened with some of the highest utility costs in the nation. Deliberation and discussion among a commission of individuals is what is needed, rather than unilateral decision-making.

NOTES:

HJR 62 by Farabee, the accompanying proposed constitutional amendment to provide that the Railroad Commission be governed by a single elected commissioner, is on today's Constitutional Amendments Calendar.

The committee substitute differs from the bill as filed by providing that the act would take effect January 1, 2013, instead of January 1, 2011.

SB 341 by Wentworth, which would change the name of the Texas Railroad Commission to the Texas Energy Commission, passed the Senate by 31-0 on May 1.

