



March 11, 2019

The Honorable Dan Patrick  
Lt. Governor of Texas  
P. O. Box 12068  
Austin, Texas 78711

Re: CSSB 421

Dear Lt. Governor Patrick:

The Texas Senate Committee on State Affairs passed CSSB 421 in a hearing early Monday morning, March 11, 2019.

The Texas Oil & Gas Association (TXOGA), the Texas Pipeline Association (TPA), and many important stakeholders were not provided a copy of the CSSB by the bill author or the committee chair before the CSSB was laid out and passed. This CSSB is not a compromise bill and is full of fatal flaws that would cripple the ability to provide essential services to Texans. These are not minor flaws in the bill but rather systemic, unworkable provisions. Importantly, the CSSB contains concepts that have not been previously discussed by either side. Public testimony was not reopened on the bill and, therefore, TXOGA, TPA, and other members of the Coalition for Critical Infrastructure (CCI) could not demonstrate these flaws to the committee. Based on the actions of the Senate State Affairs Committee, we will be encouraging legislators who care about both the growth needs of Texas and landowners to vote no on CSSB 421 until a compromise is reached as evidenced by a written confirmation from both sides.

Regrettably, the reasonable provisions submitted for consideration by CCI were not included in the CSSB. The changes submitted by CCI would both ensure critically needed infrastructure can continue to be delivered to all Texans and address the requests of landowner groups for transparency, fairness and accountability.

Just a few of the fatal provisions of the CSSB include:

- 1) Contains a 45% penalty to be included in the initial offer (Sec. 21.0113);
- 2) Disallows the final offer to be reflective of the opinion of value provided by a certified appraiser (Sec. 21.0113);
- 3) Allows the landowner to engage in prolific litigation due to numerous procedural gotchas (Sec. 21.0113);
- 4) Introduces vague requirements into easement terms that will be litigated to stop or delay infrastructure projects (Sec. 21.0114);
- 5) Mandates a Notice of Intent that cannot be complied with (Sec. 21.033);
- 6) Invites litigation because of ambiguous and undefined terms in regard to the public meeting (Sec. 21.038);
- 7) Invites the opportunity for activism and anti-fossil fuel demonstrations as part of a public meeting (Sec. 21.035); and
- 8) Inserts a court into the certification process with little guidance or legal standard for the court, allowing litigation to stifle infrastructure projects (Sec. 21.0391).

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The Texas Oil & Gas Association and the Texas Pipeline Association remains committed to working in good faith to find a reasonable compromise that both enables entities to deliver the critically needed infrastructure for a growing Texas and addresses the concerns raised by landowners. We will work tirelessly toward that end so that both sides can bring a bill to you on which you and the Texas Senate can be proud to vote.

Sincerely yours,

A handwritten signature in black ink that reads "Todd Staples". The signature is written in a cursive, slightly slanted style.

Todd Staples, President  
Texas Oil & Gas Association

A handwritten signature in black ink that reads "Thure Cannon". The signature is written in a cursive, slightly slanted style.

Thure Cannon, President  
Texas Pipeline Association

cc: Members of the Texas Senate  
Texas Oil & Gas Association Board of Directors  
Texas Pipeline Association Board of Directors  
Coalition for Critical Infrastructure