

**ONE HUNDRED SECOND LEGISLATURE - FIRST SPECIAL SESSION - 2011
COMMITTEE STATEMENT
LB1**

Hearing Date: Monday November 07, 2011
Committee On: Natural Resources
Introducer: Dubas
One Liner: Adopt the Major Oil Pipeline Siting Act and change eminent domain provisions

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Carlson, Christensen, Dubas, Haar, Langemeier, McCoy, Schilz, Smith

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Annette Dubas
Alan Peterson
Susan Seacrest
Sandra Zellmer
Linda Duckworth
Donna Roller
Susan Dunavan
Douglas Cobb
Len Schropfer
Kathryn Gabig
Charles Hruby, Jr.
Tim Taylor
Juanita Rice
Connie Weichman
Paul Blackburn
Jim Knopik
Erin Frank
Teri Taylor
Carol Reed
Larry Caldwell
John Pollack
Karl Connell
David Hibler, Sr.
Marilyn Lund
Rose Mapel
Mary Ellen Mulcahy
Linell Connolly
Duane Hovorka
John K. Hansen

Representing:

Introducer
Nebraska Chapter of the Sierra Club
Self
Self
League of Women Voters of Nebraska
Self
Self
Self
Self
Self
Self
Self
Self
Bold Nebraska
Self
Self
Self
Self
Self
Self
Benson Plant Rescue, Inc.
Self
Self
Self
Nebraska Wildlife Federation
Nebraska Farmers Union

Doug Liewer

Self

Opponents:

Robert Jones
David Carpenter
Lee Hamann
Mark Whitehead

Tom Nesbitt
Bill Sydow
John Kuehn
Michael Whatley
John McCollister
Andy Black
Tom Byers
Dan Gunderson
John Bourne
John Knape
Mark McColley
Joe Herring
Ron Kaminski
Ron Sedlacek
Ken Mass
Val Nelson
Chris Yates

Neutral:

Mike Hybl
Dave Wedin
Wayne Woldt
John Stansbury
Jim Goeke
John Gates

Representing:

TransCanada Keystone Pipeline
TransCanada Keystone Pipeline
TransCanada Keystone Pipeline
Nebraska Petroleum Marketers and Convenience Store Association
Self
Nebraska Oil and Gas Conservation Commission
Southern Public Power
Consumer Energy Alliance
Platte Institute for Economic Research
Association of Oil Pipelines
Magellan Midstream Partners
American Petroleum Institute
IBEW
Self
Omaha Building Trades
Americans for Prosperity
LIUNA #1140
Nebraska Chamber of Commerce
Nebraska State AFL-CIO
Self
Self

Representing:

Nebraska Public Service Commission
University of Nebraska
Self
Self
Self
Self

Summary of purpose and/or changes:

Section 1 amends 57-1101, which allows the use of eminent domain for the transportation of crude oil, petroleum gases, or other such products, by requiring the operator of a major oil pipeline to have been approved for a prospective pipeline under the new act.

Sections 2 to 12 create the new Major Oil Pipeline Siting Act. The components of the act are:

*Intent language, including a statement that the act is not intended to regulate safety;

*Legislative findings of the right of Nebraska to protect its interests in and the value of land and natural resources;

*Definitions showing that the act is to apply to petroleum/crude oil pipelines that are larger than six inches in diameter on the inside and is at least partially constructed in Nebraska;

*An application and approval procedure through the Nebraska Public Service Commission (PSC) that must be complied with before a pipeline carrier constructs a major oil pipeline for operation in Nebraska;

*Substantive changes to a pipeline route require a new application and approval;

*A process to be used for applicant to pay for application and approval-related expenses;

*A list of the information required on the application;

*Publication of notice provisions;

*A public hearing requirement;

*A requirement that certain state agencies issue a report in response to the application regarding, based on their area of expertise, the pipeline's impact and whether the application and route should be approved;

*Authorization for PSC to approve the application if it determines the pipeline to be in the public interest;

*A list of criteria on which to base this determination, including compliance with Nebraska law, natural resources impact and risks, mitigation measures, economic and social impacts, efforts to ensure public welfare, impact on development, agencies' reports, local governing bodies' views and any other relevant material;

*Requirement that the PSC enter an order granting or denying the application within eight months of application receipt.

*Authorization for PSC to extend the time limit for its decision not to exceed 18 months, or eight months after a presidential permit is issued;

*A requirement that the applicant file status reports on its progress;

*Authorization for the applicant to amend its application if the PSC denies it;

*Authorization for appeal;

*Creation of the Public Service Commission Pipeline Regulation Fund; and

*Authorization for PSC to contract for professional services.

Section 13 amends 75-109.01, which describes the PSC's jurisdiction, by authorizing jurisdiction over pipeline carriers and rights-of-way under the new act.

The remaining sections relate to duties and hearing procedures of the PSC, by adding references and duties related to the new act. Included is Section 20, which states that pipeline carriers are common carriers.

The bill also contains severability and emergency clauses.

Explanation of amendments:

AM 36 to LB 1 would add a clause to the "purposes" section of the bill that states the act shall not apply to any major oil pipeline that has submitted an application to the United States Secretary of State pursuant to Executive Order 13337 prior to the effective date of this act.

Chris Langemeier, Chairperson