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Public Service Commission in charge of pipeline oversight. For pipelines that carry crude, natural gas, coal and water. And I issue this proposal knowing that the PSC already has this authority in North Dakota Century Code. So I want to consolidate this so it clears the confusion and eliminates duplication of services in the state and saves taxpayer money. So that when a farmer goes across his field and discovers oil on his tires, like the farmer did in Tioga, he knows he can call me on the Public Service Commission and we are going to get out and get to the bottom of this.

But to start that we need to find out where all the pipelines are. The current PSC has said they do not know where all the pipelines are, so I really want us to audit where those pipes are so we know first where they are and what they are transporting. So then as we are in charge of the Call Before You Dig program, we know the pipe is there and can tell you not to dig the trench.

When it comes to railroads, and getting commodities to market, we need to open up transparency for what's being transported. Right now there is the perception that crude shipments are taking preference and we have backlog of grain from 2013 in our elevators.

Let's clear up some of that perception. Let's lay it all out on the table and get everyone around that table to find the solutions. We know what the capacity needs are to get everything to market so that everyone has equal access to those rails. It's really about having the conversations and getting everyone around the table.

Fedorchak: Both the pipelines and rail are vital to supporting the transportation of energy and agriculture products that North Dakota is producing in abundance.

In terms of pipelines the Public Service Commission has some very specific jurisdictions. We're involved in the permitting of transmission pipelines, so we oversee the permitting and hold companies accountable to high construction standards we are also involved in the safety oversight of in-state gas lines and seeking the approval of the legislature and ultimately the

Federal government to manage that on behalf of the Federal government for the in-state crude lines as well. So if we get

our way we would have jurisdiction to handle the in-state safety inspection for pipe in-state crude and gas lines.

So I think that is an important new role for the PSC and an expansion of existing roles. And then thirdly the reclamation of the lines after constructed we have a role in that, holding companies responsible for that.

And finally in the integrity of the pipelines through our 811 "Call Before You Dig" program. So the PSC has an important role to play in all those various milestones on pipeline oversight. I think

we have been working every day, every year to do things and improve the work that we are doing in that side.

In terms of rail, we have jurisdiction that is largely federal on the rail side, both in terms of safety and service and price, those are Federal responsibilities, but the PSC has been active in pushing the Surface Transportation Board to get more involved in the rail service and cost issues that we are seeing in North Dakota and will continue to hold them and their feet to the fire on that and in every way that we can on the Public Service Commission.

And then I have brought forth a program to get the state more involved in the rail safety aspect of things. There is supplemental program available through the Federal rail administration, the state can work in tandem with them and help support their efforts and I believe the time is now for the state to get involved with that and help insure the safety of our rail system moving forward.

Kalk: Thank you Jason for the question. One thing that's always interesting about the commission is the jurisdictions we have or that we don't have. And that's always challenging for everyone to walk through. The way I best look at it is if it is a gathering line it is Industrial Commission jurisdiction. If it is a transmission line of oil or natural gas we have a role in the public service commission. Of course if it is a pipeline that transits to state, it's PHMSA (U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration). So you have a lot of jurisdictional things going on there.

My view on the pipelines is the more pipelines you build, the less trucks you have on the road. The more pipelines you build the less traffic you will have on the rails. So you have to build these pipelines, you have to build them safely, you have to protect them when they are in the ground. One thing that I have been

really aggressive on the last six years is the "Call Before You Dig" program. Before I got to the commission nobody had ever been fined before on the "Call Before You Dig" law.

And we've had a very aggressive program on education and we've also enforced up to 30 different people and companies who have been fined for violating "Call Before You Dig." So you have to build these pipeline in the ground, then you have to protect them so somebody's not out there with a backhoe and puts it through there. That's the biggest reason you have leaks in pipelines is third party damages. It's not just pipelines, it's also for fiber optics, its also for electric lines.

My view on pipelines is you have to build them. You have to build them safely. You have to protect them. In the hearings I've been involved in a lot of them we've asked for extra protection, extra shutoff valves, extra pipe thickness, so you have to build them safely.

The railroad question, the second part of your question, back to that limited jurisdiction. The PSC has really small jurisdiction on the railroads right now. That's back to the '80s when some of the rules changed who regulates railroads mostly Surface Transportation Board. But the areas we do have are public or private crossing, we have a say in that. But also if someone is a captive shipper as far as if they are being treated unfairly moving their Ag products. So that's our jurisdiction, but what we are doing right now is a couple of big things.

We are in deliberation in the PSC about should be take the big railroads, the CP and BNSF, to court quite honestly. They are not treating our ag shippers properly, the oil is getting preference over Ag, so we are going through that process right now to make sure our Ag producers are treated fairly.

And I will go back to my pipelines. The biggest thing we can do to get the stress of the rails is build these pipelines. So we are working with our Senate delegation and Congressman to make sure we keep the pressures on the railroad right now. We are working through our jurisdiction to make sure that our Ag producers are treated fairly and just working the problem.

Reisenauer: We absolutely need more pipelines in North Dakota. I should have brought up three examples, the other is what is going on with the Sandpiper Pipeline in Minnesota. Now a lot of peo-

ple will say there are environmental politics in Minnesota that have led to that. I look at it a different way.

I think there is certainly a sentiment of that, but if you look at it and take a step back, we're hearing our trains are threatened to be blocked getting into Washington state. You are hearing more and more states expressing concern over what's going coming over their rail system.

So I think we're viewed rightly — or for the wrong reasons — it's viewed as the Wild West show up here. And they are looking not necessarily at the companies but the state regulators that we're not doing our job.

So when you have an interstate pipeline going in neighboring states, they are going to ask questions. And if they do not feel confident that we are holding those companies, those contractors, welders, whoever it might be, accountable, there could be potential for a large accident. So I think we are seeing an element of that where the states just do not trust our leadership. They don't trust our elected officials. I think we are seeing that definitely with railroads and certainly with pipelines to some extent with blocking the Sandpiper.

Again it is another problem we have to get ahead of. We have to start working with our neighbors. We have to start building their confidence. We've got to show them that it is in their best interest to get this oil out of North Dakota as efficiently as possible to American markets and American refineries so we can lower gas prices for us. Especially Midwest prices. And I just don't think you see that style of leadership in Bismarck today.

Next week: The North Dakota Agriculture Commissioner Candidates comment on their campaign and the relationship between agriculture and energy.

For more information on the 2014 North Dakota General Election, held November 4th, 2014, visit <http://vote.nd.gov>.

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- PSC candidate Brian Kalk

"We've got to show (other states) that it is in their best interest to get this oil out of North Dakota as efficiently as possible to American markets and American refineries so we can lower gas prices for us."

- PSC candidate Todd Reisenauer



Fedorchak