



May 23, 2018

To Whom It May Concern:

Re: Underground Facility Protection Program – New Annual Fee

On July 1, 2017 the Governor Bullock signed House Bill (HB) 365 into law. HB365 requires the State of Montana Department of Labor and Industry to have a program in place that monitors, maintains records, and issues civil penalties for incidences where underground facilities were damaged during excavation. Without an effective state program in place, oversight falls to the federal government. Under the federal program, civil penalties had the possibility of being extremely high, so it was important to implement a program that would assume authority over the issuance of civil penalties. A state ran program would ensure the civil penalties would be effective to promote and maintain safe excavation, while also being more reasonable to the industry in Montana. Having a state agency in charge of enforcement was a major requirement of the Pipeline and Hazardous Materials Safety Administration (PHMSA) to return jurisdiction to the State.

As you may know, implementation of, and maintenance of a new program has associated costs. The new law allows the Department to collect up to \$0.10 per outgoing locate request issued to each individual underground facility owner by a notification center (call center). The annual fee must be based on the number of outgoing locate requests that an underground facility owner received in a previous 12-month period.

Rather than the Department increasing costs to implement and maintain an expensive billing program, beginning July 1, 2018, the notification centers will be issuing out an invoice to all the underground facility owners with an amount that will reflect \$0.10 per outgoing locate request for the 12-month period of July 1, 2016 – thru June 30, 2017. The invoice is your 2018 annual fee. For next year's budgeting efforts, your 2019 invoices will be based on the number of outgoing locate requests occurring July 1, 2017 thru June 30, 2018. The annual fee invoice will be a separate invoice from the one you typically receive from the notification centers, and the facility owners will only receive this invoice once every July.

Payment of this invoice will need to be made to the notification center that sent the invoice. Please refer to the invoice for further payment information. The notification center will collect the payments from the facility owners for a specific time period and then turn over fees collected and unpaid invoices to the Department of Labor and Industry.

If you have any questions, please feel free to contact me at any time.

Sincerely,

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