

**Testimony of Michael E Easley, CEO Powder River Energy Corporation  
House of Representatives Committee on Natural Resources Oversight**

*“Keeping the Lights on and Reducing Catastrophic Forest Fire Risk: Proper Management of Electricity Rights of Way on Federal Lands”*

Good morning Mr. Chairman and members of the Committee. My name is Mike Easley and I am the Chief Executive Officer of the Powder River Energy Corporation (PRECorp), a rural electric cooperative based in Sundance, WY. PRECorp’s mission is to deliver high quality, competitively-priced electric power and services to our member owners, while enhancing the quality of life by providing leadership and service in our communities. PRECorp provides 400 MW of power to 28,000 meters using 10,000 miles of power line across a territory that covers 16,000 square miles in Crook, Weston, Campbell, Sheridan and Johnson counties in Northeast Wyoming. Our member owners are a diverse group, ranging from large industrial loads such as the world-class Powder River Basin Coal mines, oil and gas fields, to ranchers, farmers, urban residents and small businesses in northeast Wyoming.

I serve as the Chairman of the Wyoming Infrastructure Authority, an instrumentality of the State of Wyoming. I also Chair the Wyoming Rural Electric Association’s Managers’ Committee. It is in my capacity of the Wyoming Rural Electric Association Managers Committee that I will be testifying today and representing the concerns of all Wyoming’s cooperatives on three very important topics – keeping the lights on, reducing forest fire risk, and rights of way (ROW) on Federal Lands.

PRECorp works very hard to develop and maintain good working relationships with our federal agency contacts. We hold regular meetings with our local contacts and we work hard to develop relationships beyond the local level. Most recently I have had the opportunity to work with Neil Kornze, the newly confirmed director of the BLM, on issues of BLM right of way grants that are unique to rural electric cooperatives. Neil’s understanding and support while we worked through this issue was critical to the successful resolution of this matter for PRECorp. Without his involvement and leadership, PRECorp’s ROW issues might still be lingering.

That said, my testimony today is directed at problems PRECorp and many of Wyoming rural electric cooperatives have experienced with the BLM and the Forest Service over the past several years.

I have four specific examples to offer to the committee today that highlight problems of seemingly arbitrary decisions, lack of/or poor communication, and bureaucratic red tape that leads to delays, increased costs to our member-owners and ultimately threaten our ability to keep the lights on.

**Forest Service – Tree Clearing**

First, one of our cooperatives, Carbon Power and Light (Carbon), had been conducting regular maintenance and clearing of rights of way (ROW). Personnel noticed several trees outside of the ROW (Forest Service trees) and noted if the trees fell, they would fall into their power lines. The cooperative took the initiative to contact officials in the Medicine Bow National Forest to bring this problem to their attention. Among other things they were told that if a tree outside their ROW fell into the lines and caused a fire, the cooperative would be held liable for damages! It should be noted that most, if not all, of the trees being cleared, or needing to be cleared, were dead due to beetle kill and were not viable living trees.

Carbon had to jump through many bureaucratic hoops, conducting one study after another that delayed the clearing of ANY trees for over two years and at a cost of over \$1.6 million to their member-owners. Because of the delays, the cooperative was not able to clear all of the trees needed in one season. We were all very fortunate that a forest fire was not ignited by one of these dead trees falling into a wire. It makes little sense how bureaucratic federal processes could delay the timely resolution of this issue. Risk to life, property, and forest health were not taken into consideration by the Forest Service. It is difficult to understand the liability for a Forest Service tree falling from outside the right of way into a power line could be assigned to the cooperative and at the same time that cooperative is prevented from cutting the tree by the federal agency. Common sense would appear to dictate otherwise.

In another similar instance, three Forest Service representatives employed in the Big Horn National Forest informed Big Horn Rural Electric Cooperative (Big Horn) to mark trees they felt needed to be removed and prepare an inventory of the marked trees in both the permitted ROW and outside of the ROW. After marking the trees, Big Horn was informed by one of the same Forest Service representatives that they could not move forward. They were also informed they had marked too many trees and then Big Horn was threatened with legal action for defacing government property and using the wrong kind of paint when marking the trees. Upon submission of the inventory, the Forest Service representative stated some of the trees may be “merchantable” and the Forest Service would need to get with their timber harvest representatives. The Forest Service Supervisor met with the Big Horn Board of Directors on January 29, 2014 telling them that he would get back to them by late February or early March. They have yet to hear back from him.

### **BLM – Rights of Way**

Wyrulec Company, a cooperative in Southeast Wyoming, needed to extend a line to serve an oil pipeline pumping station. The proposed extension, the most efficient and cost effective route, would have crossed three-quarters of a mile on BLM lands. The cooperative was given the green light to file the application, (which they did) along with the associated environmental work with the BLM. They were then told, without anyone from the BLM looking at the proposed extension in the field, the BLM needed \$96,000 and 12 months to study the application.

Efforts to contact the BLM to invite them to visit the proposed project and physically see for themselves what they were asking went unanswered. The cooperative, in an effort to meet the needs of their member-owners, re-routed the line over 2 miles at a cost of \$495,000 without ever hearing back from the BLM.

Finally, several of our cooperatives have over the past year experienced delays and uncertainty in the approval of new or renewal of existing ROW from the BLM, because of what appears to be an interagency dispute governing the approval process between the BLM and the Rural Utility Service (RUS).

Instead of accepting a blanket letter from the RUS stating that all Wyoming cooperatives are eligible to borrow funds from the RUS, the BLM insisted that every new and renewal application to be signed off on by the RUS, stipulating that particular cooperative seeking the waiver was eligible for RUS financing. This requirement has led to numerous delays in either maintenance projects, which threaten the reliability and maintenance of the grid, or in establishing new service hook ups. The result had been increased costs to electric cooperative members. Electric cooperatives operate on a not-for-profit basis.

Each and every dollar we spend in dealing with bureaucratic red tape increases our costs and liabilities at the expense of our member-owners. These are folks that we all are supposed to be working for, not against.

The examples I have given today cause our member-owners (your constituents back home) to question the inefficient and ineffective ways some of our federal agencies operate. My hope today is that my testimony and those of others persuade you and perhaps officials from the BLM and Forest Service that things need to change. Adding more rules, regulations and requirements in an effort to address these problems is not productive nor do they serve the public interest. There are simpler, easier solutions to these problems.

A first step would be to introduce common sense in the way that agencies fulfill their statutory requirements, while keeping in mind that they are here to serve the American people, not the other way around. Secondly I would suggest a process that sets clear expectations of performance for all parties involved, measures performance against expectations, and embraces transparency in presenting overall results.

Wyoming cooperatives stand ready to be part of the solution to help keep the lights on, reduce the chance of forest fires risk, and implement a process to properly manage ROW on public lands.

Thank you for the opportunity to be here today and to speak on behalf of all Wyoming's Rural Electric Cooperatives. I would be happy to answer any questions.