



**Testimony of Jim Anderson**  
**CEO, Midstate Electric Cooperative**  
**United States House of Representatives, Committee on Natural Resources Subcommittee**  
**on Water, Wildlife, and Fisheries**

“Bureaucratic Delays and the Costs to Ratepayers and Electric Power Systems”

February 24, 2025  
10:15am ET  
1324 Longworth House Office Building

Chairwoman Hageman, Ranking Member Hoyle, and Members of the Committee, thank you for the opportunity to testify before you today. My name is Jim Anderson, and I am the CEO and General Manager of Midstate Electric Cooperative, an electrical distribution utility that delivers power to over 22,000 members over a vast service territory covering 5,600 square miles in central Oregon. I appreciate the opportunity to provide my own insights as a co-op leader and on behalf of the National Rural Electric Cooperative Association (NRECA) and the nearly 900 electric cooperatives across the country.

Our cooperative and NRECA are firmly committed to the protection of our nation’s federal lands and support thorough evaluation of potential impacts from energy and broadband infrastructure projects. Serving 56% of the nation’s landscape, electric co-ops are responsible for operating tens of thousands of miles of electric distribution and transmission lines across federally managed lands. The checkerboard nature of these territories requires co-ops to secure Rights-of-Way (ROWs) across federal lands to maintain reliable and safe electricity for rural America.

Co-ops’ authority and responsibility to manage the vegetation surrounding those ROWs are governed by the Federal Land Policy and Management Act (FLPMA), which establishes the framework for vegetation management within those corridors. However, it has not yet delivered the predictability or interagency alignment necessary to facilitate routine maintenance. While designed to standardize authorizations and protect forest resources, its application has remained administratively burdensome. In practice, this lack of coordination continues to normalize delays and increase costs, all while increasing the risk of wildfire by slowing needed vegetation management in high-risk areas.

We thank Congress and this Administration for working to improve permitting efficiency on federal lands and hope to see further reforms that ensure the land management agencies implement long-term solutions to enhance vegetation management and remove hazardous fuel from our forests.

## **About Midstate Electric Cooperative**

Located in Central Oregon, Midstate Electric Cooperative (MEC) delivers power to 22,516 members in four Central Oregon counties over a vast service territory covering 5,600 square miles. As a member-owned, not-for-profit cooperative, MEC is committed to supporting community growth, economic development, and a reliable energy future for the people and businesses it serves. Incorporated in 1948, MEC has grown to 22,516 meters, maintaining 2,516 miles of line and employing 65 people.

NRECA represents nearly 900 rural electric cooperatives, including 64 generation and transmission and 832 distribution co-ops, serving 42 million people across 48 states. As locally governed, member-owned utilities, electric co-ops are deeply rooted in the communities they serve and are committed to being good stewards of the environments in which they operate.

Like the 17 other electric cooperatives in Oregon, Midstate Electric has a board-approved wildfire mitigation plan filed with the Oregon Public Utility Commission. For Midstate, our plan considers everything from infrastructure improvements, such as pole and equipment replacements, undergrounding of overhead lines in high-risk areas where possible, deployment of new technology to monitor lines and weather, updated operational practices during fire season, and effective communication with local emergency managers and our members. Midstate has a \$4.5 million budget for fire mitigation in 2026, at an annual cost of \$256.99 per member – nearly the equivalent of two monthly power bills per year just for wildfire mitigation.

### *Responding to Growing Wildfire Risk*

Oregon, like so many states across the West, has experienced its own series of natural disasters in recent years. In 2025 alone, roughly 2,569 wildfires were reported statewide, burning over 300,000 acres across Oregon. Firefighting efforts came at a steep cost. Large fire expenses reached nearly \$129.9 million, with net state costs around \$57 million after federal reimbursements and grants, reflecting the growing price of personnel, aviation resources, and equipment needed to respond.

Not only is approximately 70% of the land in Midstate's service territory federally managed, but we also have the distinction of serving some of the highest wildfire-risk areas in the state. We experienced this firsthand in 2024 when the Darlene 3 fire burned nearly 4,000 acres near Midstate's headquarters. To protect critical transmission lines and a substation, aerial bombers dropped fire retardant directly over our headquarters. We are thankful to Congressman Bentz for touring the area in the immediate aftermath of the fire.

We have long partnered with the Bureau of Land Management and the United States Forest Service to be good stewards of our nation's federal lands while bolstering the reliability and affordability of the electric grid. These agencies perform a vital function, and Midstate works hard to build professional relationships with our federal land managers. We are also in the business of solving problems. Midstate and other Oregon electric co-ops have attempted to work within the system to strengthen the partnership between utilities and federal land managers. I participated in a "Tiger Team" formed by then US Forest Service Chief Randy Moore to discuss how to improve consistency and accountability with federal lands permits. The Master Special Use Permits that resulted from these discussions have helped streamline the process, but in our view the implementation of these permits can still be improved.

## **Vegetation Management and Wildfire Mitigation**

### *FLPMA Section 512 Implementation*

In providing electric service to rural communities, electric co-ops must frequently cross federally managed lands, including national forests and BLM public lands. ROW activities on BLM lands are authorized under the Federal Land Policy and Management Act (FLPMA), which governs issuance, administration, and conditions that hold utilities responsible for damages arising from their operations. Section 512 of FLPMA directs the Forest Service and BLM to coordinate guidance and standards for vegetation management and wildfire risk-reduction activities along utility ROWs, ensuring consistent approaches across federal lands.

Securing and maintaining ROWs is essential for electric co-ops to plan, budget, and operate their infrastructure reliably. And access to ROWs is equally essential for routine operation and maintenance, including inspection, vegetation management, equipment repair, and grid hardening.

### *Vegetation Management in Central Oregon*

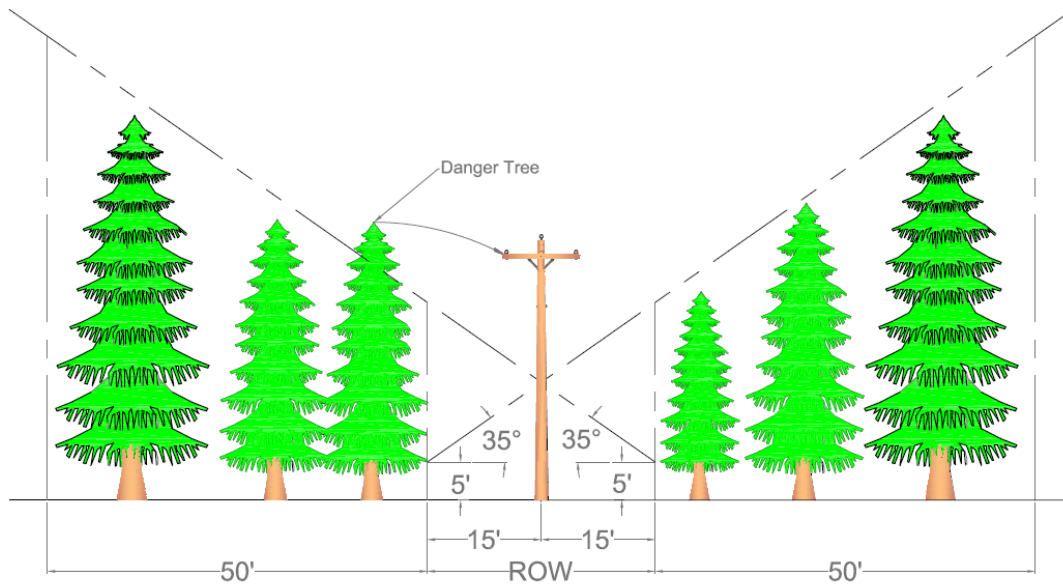
Midstate Electric operates a power line through the rugged Newberry National Volcanic Monument, which was created within the boundaries of the Deschutes National Forest. Constructed in 1954 and 14.3 miles long, our electric line serves a resort, cabins, and multiple Forest Service facilities. Newberry Crater is a spectacular resource and popular tourist attraction, but it is also one spark away from a devastating wildfire.

We have made multiple attempts over the last several years to expand clearance around our power lines. In many parts of the utility corridor, the distance between the power line and the trees is perhaps six feet of clearance or less. In some sections, the power line is so obscured by tall pine trees that it is impossible to see our infrastructure.

It is deeply concerning that we have not made any progress with Forest Service when it comes to managing the vegetation – including a failure to begin the permitting process. This type of delay is exactly why we need to enact the Fix our Forests Act. The provisions in this legislation expanding electric utility authority to remove hazard trees – along with expedited timelines for review and approval of vegetation management plans – provide essential tools to protect our natural resources and keep our communities safe.



*Trees encroaching on electric distribution infrastructure, Newberry National Monument*



Note:

- 1) A 35° Angle at 5' height located at the ROW boundary identifies Hazard Trees that could potentially fall and hit the Distribution Line resulting in a Forest Fire. Corrective action can then be implemented to eliminate the Hazard.
- 2) Typical Distribution Pole 40 feet in length, 34 feet is above grade.
- 3) Wire spacing minimum 62 inches Phase to Phase.
- 4) Wire spacing minimum 107 inches Phase to Ground.

### *Danger Tree Diagram*

It is also essential to reduce fuel in our forests from dead or dying trees, scores of which are still on the ground. In the Darlene 3 Fire referenced earlier, the Forest Service initially cleared a large section of trees a year after the fire but left those immediately adjacent to Midstate's lines.

Another entire year later, Midstate was finally authorized to remove those trees at the expense of \$28,000 paid ultimately by Midstate ratepayers and even so, the trees had to be left in our right of way as ladder fuel. Provisions in the Fix our Forests Act to streamline the timber sale and removal processes are essential to reduce fuel loads near electric power lines and help prevent catastrophic wildfire.



*Hazard trees unaccounted for by USFS following the Darlene 3 Fire*

### *Grid Hardening*

Moreover, utilities also expand and upgrade infrastructure within existing ROWs to improve safety and reliability. FLPMA provides the statutory framework that enables electric co-ops to operate and maintain critical electric infrastructure on public lands while meeting applicable environmental and operational requirements. Federal approval is required for many activities, including tree removal, pole replacement, access road construction, or other upgrades, which can involve detailed environmental reviews that take significant time and resources to complete.

For example, the Forest Service required Midstate to conduct a costly and protracted historical site assessment before upgrading a transmission line originally built in 1964. Between 2023 and 2025, Midstate spent tens of thousands of dollars studying lines that had been inspected annually, many of which had already been replaced after extensive vandalism. The lines ultimately had no historical significance, yet the delays slowed the project, increased costs, and burdened Midstate's members.

Approvals for such grid hardening activities are often slow and inconsistent across regions. Standardized timelines and criteria across the land management agencies could reduce delays, helping utilities plan and execute wildfire mitigation and maintenance more effectively.

### *Inconsistency across federal agencies*

Regulatory requirements and approvals vary between federal agency headquarters and regional offices, creating uncertainty for cooperatives operating across multiple jurisdictions. FLPMA gives regional offices significant discretion, leading to inconsistencies between BLM and Forest Service areas. We continue to experience this lack of uniform standards firsthand. Midstate and other Oregon electric co-ops have also experienced significant variations and approaches not only between the Forest Service and the BLM, but within the land management agency districts, and even ranger to ranger. Combined with delays in routine maintenance and grid hardening, this limits cooperatives' ability to manage wildfire risks and maintain reliable service. More centralized guidance or binding standards would reduce these delays and uncertainties, helping protect both co-ops and the communities we serve.

Not only is it our mission to keep the lights on for our members, Midstate has an obligation to provide new electric service for our members when it is requested. At present, we are attempting to provide electricity for two Midstate members that require a power line across BLM land. However, the BLM claims they do not have time to review the permits, even though it is in the same area where the agency issued permits for fiber installation. In the meantime, our members are frustrated that they will have to live without power indefinitely, until a permit is issued.

It is important to note that Midstate's experience with delays and lack of cooperation are not isolated incidents. Central Electric Co-op – another Oregon electric co-op just to our north – has also appeared before this committee with similar concerns. A common theme throughout our state is that permits often take years to be approved that, realistically, could be processed within 60-90 days.

### *Strict Liability*

Electric co-ops have a unique perspective on forest health due to their responsibilities within rights-of-way on public lands. Through inspections, vegetation management, and infrastructure upgrades, we see firsthand the effects of invasive pests, overgrown forests, and declining tree diversity. But unlike many other stakeholders, however, co-ops can bear responsibility for damage caused by forest conditions outside our rights-of-way, including wildfires.

Ironically, almost thirty years ago another CEO from Midstate Electric testified before this same committee on the very problem this subcommittee is trying to address. In that case, Midstate Electric requested the trimming of selective hazard trees along our rights-of-way on Forest Service land. The Forest Service denied the request. Predictably, a tree fell into a power line, sparking a wildfire. Midstate was held strictly liable for the wildfire and had to pay firefighting costs of \$327,000.

Even when acting proactively, co-ops remain strictly liable for any fire near their equipment regardless of negligence. Indeed, co-ops can face nearly \$4 million per incident increasing annually on BLM lands and \$1 million on Forest Service lands without being found responsible for initiating wildfire. Plus, we also must pay fire suppression and natural resources damages costs. This puts not-for-profit cooperatives at risk of severe financial distress, threatening insurance, capital access, and reliable service.

Delays and new regulatory hurdles are already stalling wildfire mitigation, leaving both communities and co-ops exposed. The strict liability framework is particularly perilous for electric co-ops because the ultimate financial burden falls on ratepayers, who may face higher electricity costs to cover incidents for which their co-op was not at fault.

At present, utilities with a Forest Service forest operating agreement can cap their strict liability at \$500,000 per incident, but that is only until that authority expires in 2028. Both Forest Service and BLM should cap strict liability at a reasonable level, with further capped liabilities for utilities with operating agreements, indefinitely. Without reform, co-ops face a looming cliff: skyrocketing exposure in just two years. Updating the liability framework would protect co-op finances, ensure insurance access, and shield ratepayers from bearing the cost of wildfires beyond the co-op's control.

### **FLPMA Reform Recommendations**

**Pass the Fix Our Forests Act:** This bill strengthens wildfire mitigation and grid resilience by expanding electric co-ops' authority to remove hazardous trees within 150 feet of power lines and by cutting red tape that delays clearing fallen timber on national forest lands.

- As it moves through the Senate, lawmakers should include categorical exclusions for routine maintenance and vegetation management to speed up proven, low-impact wildfire prevention efforts. We thank the House for including this provision in its 2024 bill.

**Expedite Permitting and Approvals:** The Forest Service and BLM should leverage all available authorities and recent executive orders on wildfire, land management, and energy to expedite permitting and approvals for utility wildfire mitigation activities.

- This includes streamlining NEPA reviews through expanded and new categorical exclusions, programmatic analyses, and cost recovery agreements; and expediting Endangered Species Act and National Historic Preservation Act processes.

**Reform Strict Liability:** Comprehensive reforms are needed to protect affordability, resilience, and investment in the electric system. BLM and the Forest Service should maintain reasonable strict liability caps and withdraw proposed increases; work with the Department of Justice to eliminate or reduce strict liability where no fault is found; and improve transparency while reducing excessive natural resource damage claims where appropriate.

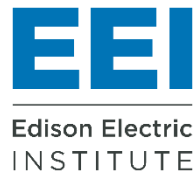
**Increase Process Consistency:** The land management agencies should ensure consistent, reasonable implementation of permitting policies across regions and coordinate with other federal agencies to align processes, guidance, and operational standards, particularly for routine operations, maintenance, and wildfire mitigation activities.

## **Conclusion**

In my view, there will be significantly more wildfires unless the US Forest Service and BLM develop a more constructive partnership with us to manage vegetation on our federal lands. The work this subcommittee is doing to highlight the existing bureaucratic hurdles, along with enactment of the Fix Our Forests Act, will go a long way toward protecting our members and the communities in which they live.

We appreciate this committee for taking a closer look at how to improve forestry management, streamline the federal permitting process, reduce unnecessary delays, and provide the regulatory certainty needed to ensure communities across the country have access to the electricity they rely on every day.

Thank you for the opportunity to speak with you today. I welcome any questions you may have.



# Electric Utility Sector Wildfire Administrative Priorities

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## EXPEDITE PERMITTING AND APPROVALS:

Electric utilities operating within the national forest system can face permitting and approval delays of months or even years for hazard tree removals, routine vegetation management, right-of-way access, and electrical infrastructure upgrades. Every delay jeopardizes affordability and reliability of the electric grid and increases wildfire risk to utility systems and the communities they serve. The Forest Service should leverage all available authorities and recent executive orders on wildfire, land management, and energy to expedite permitting and approvals for utility wildfire mitigation activities. This includes:

- Expediting NEPA processes by:
  - Using guidance and authorities granted under the President's *Declaring a National Energy Emergency* and *Unleashing American Energy* executive orders.
  - Narrowing the scope of NEPA analyses pursuant to recent court decisions, including *Seven County Infrastructure Coalition v. Eagle County*.
  - Expanding the use of existing categorical exclusions, including those that are listed in another agency's NEPA procedures (consistent with 42 USC 4336(c)), and developing new categorical exclusions as appropriate to include operations and maintenance activities and wildfire mitigation activities within existing rights-of-way.
  - Utilizing programmatic NEPA analyses and master special use plans whenever possible and creating a dedicated team for the electric sector within the Forest Service to support their approval and implementation.
  - Supporting and encouraging the use of cost recovery agreements to help ensure that permit applications can be reviewed and promptly approved.
- Expediting Endangered Species Act and National Historic Preservation Act processes by:
  - Using authorities and guidance granted under the President's *Declaring a National Energy Emergency* and *Unleashing American Energy* executive orders.
  - Providing clear guidance that right-sizes the Area of Potential Effects under section 106 of the National Historic Preservation Act by clarifying that the "undertaking" is limited to only that portion of a project or specific project activity requiring federal permit, license, or approval.

## **LIABILITY LIMITATION:**

Utilities are subject to numerous liabilities after a wildfire occurs—even if they are not at fault—potentially resulting in bankruptcy, increased electricity rates for consumers, and reduced access to capital needed to meet skyrocketing demand. Comprehensive reforms to reduce liabilities are necessary to ensure reliability, affordability, and resilience of the grid moving forward. The Forest Service should:

- Maintain its commitment to not increase the \$1 million strict liability cap. To solidify this commitment, the Forest Service should withdraw the increase proposed in its March 2023 notice of proposed rulemaking on Land Uses; Special Uses; Cost Recovery, Strict Liability Limit, and Insurance, 88 Fed. Reg. 14517 (March 9, 2023).
- Work with the Department of Justice to eliminate strict liability requirements as appropriate under the Federal Land Management and Policy Act (FLPMA) and 36 C.F.R. §§ 251.56(d) and 251.56(h)(9) for utility special use authorization holders without finding of fault. In the meantime, the Forest Service should utilize its discretion to lower the amount levied on utilities for wildfire events.
- The Forest Service should use memoranda of understanding and other authorities to allow utilities to remove felled timber and slash from in and around their rights-of-way without a timber sales agreement.
- The Forest Service should work with utilities to reduce natural resources damages where appropriate; and to increase transparency in the fire investigation and natural resources determination processes.

## **INCREASE PROCESS CONSISTENCY:**

Utilities must navigate inconsistent permitting and approval processes across multiple forest service regions and federal agencies. A single linear project can cross multiple jurisdictions with differing permitting and approval processes. The Forest Service should:

- Ensure permitting and approval processes and policies are consistently and reasonably implemented among its regions for wildfire mitigation projects.
- Coordinate with the Bureau of Land Management, the National Park Service, the Fish and Wildlife Service, and other government stakeholders, as applicable, where possible, to ensure more consistent policies and practices for utilities operating across the public lands system, and develop instructional memorandums<sup>1</sup> that are consistent across agencies, especially regarding operations and maintenance activities.

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<sup>1</sup> See the Bureau of Land Management's Permanent Instructional Memorandum PIM2025-007.