

TESTIMONY OF ROBERT S. LYNCH,
ROBERT S. LYNCH & ASSOCIATES,
BEFORE THE CONGRESSIONAL WESTERN CAUCUS
CONCERNING “WASHINGTON BARRIERS TO PROSPERITY
AND PROPERTY RIGHTS IN ARIZONA”
ARIZONA STATE CAPITOL, PHOENIX, ARIZONA

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Mr. Chairman, members of the Western Caucus. Thank you for being here in Phoenix and a special thanks to your Arizona members and their dedication to the critical issues that face Arizona and other Western states as we continue to tackle onerous and expensive federal regulations that impede our ability to move forward out of this recession.

For the record, I'm Bob Lynch, an attorney here in Phoenix. Among other clients, I have the privilege of serving as Counsel to and Assistant Secretary/Treasurer of the Irrigation & Electrical Districts' Association of Arizona, IEDA for short. IEDA is celebrating its 50th year serving Arizona. Its 25 members and associate members serve water and power to agricultural and municipal consumers, purchase power from federal hydropower generated on the Colorado River, and ensure that the benefits that Congress intended the Reclamation program to produce are provided to Arizonans.

In this role, our members are confronted constantly with federal regulations and process that impede or economically bar progress. Let me give you an example.

Many of our members want to install small hydropower turbines (basically outboard motor propellers) in Bureau of Reclamation irrigation ditches and canals. You in the House of Representatives have responded to the frustration they have experienced in trying to do so by passing H.R. 2842. I want to thank you personally for that effort and especially Doctor Gosar for his key role in getting the bill this far. The bill is critical to cutting red tape so we can harness the energy in flowing Western irrigation systems now going to waste.

But the House can't rest on its laurels. We need the same red-tape-cutting legislation covering the Federal Energy Regulatory Commission process which deals with canals and ditches districts own and operate themselves. It now costs more to do the paperwork than to install the system. This has to stop. The House has two bills addressing this problem, Rep. Adrian Smith's H.R. 795 and Rep. McMorris Rodgers' H.R. 3680. Either of these bills is the flipside of the coin of progress. Passing one of them, along with H.R. 2842, will champion small hydropower as a staple, stable, clean, renewable resource for the future.

Now let me switch gears briefly and talk to you about something called an Energy Imbalance Market or EIM for short. This Administration is trying to force Western electric utilities to huddle under a giant bureaucratic umbrella where the federal government will direct how and when these Western utilities deal with each other. Western electric utilities have been dealing with each other successfully ever since there were such utilities. They are doing so today. But this Administration thinks it knows better than the experts on the ground keeping our lights on. When has Washington successfully run a utility? Have electricity prices gone down in the East

and Midwest where they have bossed everyone around? Of course not. We in the West can and are solving our own problems, addressing our regional differences and jointly planning and sharing future plans with each other. The Federal Government can help by intelligently managing transmission needs and paths on federal lands. But Washington has no business telling us how to run our utilities.

There is a way you can help. Argonne Labs has done a cost-benefit study the Administration won't release. We are now being told that the scientists are being bludgeoned into revising their study. Why? Because it showed that this proposal didn't pencil out. We need honest evaluation, not voodoo science, before our electric systems are subjected to this regulatory overreach. We need Argonne's unvarnished analysis. We need your help getting it.

Thank you for the opportunity to appear here today. I would be happy to answer questions if you have them.