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United States Senate

WASHINGTON, DC 20510-0606

March 7, 2006

Mr. Darryl Francois
Office of Indian Energy
and Economic Development
1849 C Street, NW., Mail Stop 2749-MIB
Washington, DC 20240

Dear Mr. Francois:

Thank you for coming to Denver to begin the process of complying with Section 1813 of last year's Energy Policy Act (EPAAct). I always believe it is good for federal agencies to seek input outside of Washington, D.C. so that they have the opportunity to hear from the people who are impacted by regulations. You are to be commended for recognizing that, and for choosing Denver to start the process.

All of us are concerned with rising energy prices, and trying to deal with the causes of those rising prices. The study you are undertaking is an attempt to address one aspect of what many believe has an impact on prices: the fees charged by tribes for rights-of-way across tribal land. As you know federal Indian law does not allow for permanent easements across tribal land, only for rights-of-way of up to 20 years. This results in a renegotiation of a right-of-way at least every 20 years. Section 1813 of the EPAAct is a result of concerns which were raised by some with existing rights-of-way that the amount being charged for that right-of-way was being set arbitrarily, and bore no relation to actual costs for the encroachment on tribal land.

I believe this study should address that question by recommending to Congress an objective method for determining prices of rights-of-way across tribal land so that consumers, tribes, and energy companies all have a clear method for determining costs. Through this manner consumers would know that what they are being asked to pay bears a relation to the cost of the right-of-way; tribes would know they are being fairly compensated for the encroachment; and energy companies would know the basis for costs that they are passing on to consumers.

Thank you again for coming to Colorado, and for taking my views into account. Please feel free to contact me should you have the need for additional information from my office.

Sincerely,



Wayne Allard
United States Senator

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