

Economic Realities Dictate Organizational Lobbying: Restrictions Must be Removed

by Walter A. Thomasson, SR/WA
International President-Elect

*"Impermanence is here to stay."
Peter Devries*

But failure to change organizational structure when necessary . . ., will result in the ultimate stagnation and death of the organization.

Walter A. Thomasson, SR/WA, will assume the Presidency on July 1, 1983. Prior to his assuming office, the Board of Directors will be voting at the Albuquerque Seminar on a proposal that will allow the members to vote on whether they wish to remove the restriction of political action that currently is stated within the Articles of Incorporation. All changes in the Articles must be approved by a majority of the membership.

All progress is change, but many changes that occur daily seem to operate against us as right of way professionals. As Director of Right of Way and Environmental Affairs Division of Northwest Pipeline Corporation, a natural gas transportation company which operates in seven western states, I try to adapt technologically and philosophically to the changes that affect right of way acquisitions. As President-Elect of the International Right of Way Association, I believe that the time has come for IR/WA to do likewise. But first I would like to give you some background experience that relates to the changes that are needed.

Northwest Pipeline buys and sells natural gas. Our company has gained a reputation for professionalism and part of this is due to organizational structure and how management operates within that structure. At Northwest we have a Senior Vice-President controlling four divisions:

1. Gas Procurement, headed by a Vice President and operating out of Salt Lake City, with

offices in Denver and Houston, buys gas the company processes, transports and sells.

2. Engineering, under a Chief Engineer, surveys, designs and constructs our pipelines and facilities.
3. Operations, coordinated through a Director, manages and maintains the pipeline systems from the well head through the gasoline plants, compressor stations, storage fields, LNG tanks, etc., to our customers at the designated delivery points.
4. Right of Way and Environmental Affairs, headed by a Director, coordinates the procurement of Land, Permits, License and Rights of Way, plus the development of Environmental Impact Statements or Environmental Assessments.

Right of Way and Environmental Affairs is divided into three departments, each headed by a Manager: Right of Way/Gathering Systems,

Right of Way/Special Projects, and Environmental Affairs.

Environmental Affairs Department handles all environmental concerns for the Company.

Right of Way/Gathering Systems handles new well tie-ins and gathering facilities. The Producer who contracts with Northwest for his gas is interested in how quickly he can tie in his well so he can start his cash register running; this puts pressure on us to perform more quickly than our competition. We must buy right of way at a reasonable cost, whatever that is, in the shortest possible time. The average time of release for right of way is two months. This volume of work necessitates a reliable current project status which we have developed through specific computer-generated reports to coordinate priorities and efficient operation. These reports were designed out of necessity to meet our company's changing economic realities and rapid growth of the 1970's.

As soon as right of way is purchased, we release it to Engineering for construction. The paperwork

that releases the project for construction also gives them the stipulations or construction requirements we have negotiated on each particular parcel of land. Current project status is maintained in the computer and is available to Gas Procurement and Engineering for their use in answering Producer queries and planning work schedules.

Right of Way/Special Projects Department normally has more acquisition time, but otherwise acquisition procedures are similar. This Department handles larger projects, such as our recent Pan Alberta Project, 350 miles of 24 and 30 inch high pressure natural gas pipeline.

Right of way acquisition is so much different from any other aspect of a pipeline company's operations that it requires a special expertise. It requires people with enough vision to foresee the results of their decisions before the decisions are made, especially when deadlines must be met.

I am aware that each company or agency operates differently, depending on corporate policy or government regulations. Some Right of Way Departments report to the Legal Department, others to the Engineering Department, still others to some other division or department of the company.

Engineers are best at making engineering decisions. When they make right of way decisions, they generally weigh them very heavily towards short term economics. It is not likely that they will look down the road and determine how those decisions are going to affect future acquisitions of right of way. This is also true in all other departments or divisions of the company; if people who are not familiar with right of way make right of way decisions, the effects will show up by rapidly escalating future rights of way costs.

I know that it is not easy to change corporate structures. Some want right of way in one department and some want it in another, and once its set up, it's hard to change. But failure to change organizational structure when necessary, whether it be corporate or professional, will

result in the ultimate stagnation and death of the organization.

One fact of which I made our company aware is that in every aspect of the pipeline business, except right of way acquisition, there is a willing buyer and a willing seller. When an unwilling seller and a willing buyer exist, it is very difficult for people not familiar with right of way to really understand the conditions involved. This is where true professionalism can be recognized.

I don't believe we have been very good salesmen in selling our companies, or our bosses, on the professionalism gained through IR/WA, but if we don't do it no one else will. I had a very rare opportunity in March 1981 to go before the Board of Directors of Northwest Energy and tell them about my division. I had 15 minutes to explain what we do in Right of Way and Environmental Affairs. I believe that these 15 minutes were the most important 15 minutes in my career. Within those 15 minutes the vision of an effective organization had to be clearly communicated. It is sometimes

difficult, but if we expect others to recognize our professionalism, we have to sell it, practice it, preach it, promote it and prepare ourselves to be worthy of it.

I am excited about the International Right of Way Association and the professional direction we are taking. Recertification is a step forward, but we must be ready for future changes. I was asked in my presentation to Northwest Energy to say something about what I saw in the future. What I see today for right of way people is the increasing importance of their contribution to corporate and governmental development. Because of changes in the social climate, it is going to cost more money to acquire right of way. I know of two projects that were recently built in which the right of way costs exceeded construction costs.

This is our future. As right of way costs increase, importance of the right of way profession will increase. Increased economic responsibility draws more attention, but if we are not prepared to meet these new re-

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sponsibilities, it may not be the kind of attention we want. Professionalism is like respect -- you don't demand respect, you earn it, and we can't demand recognition of our professionalism unless we earn it by successfully meeting the changing economic forces that buffet the acquisition of real property.

Our employers are going to be more concerned as costs rise, and we must prepare for and meet the challenges inherent in that concern or someone else will be doing our job. If we are not ready as professionals to accept this responsibility, our employers will delegate the responsibility to the Legal, Engineering or Real Estate professions out of necessity. I exhort you as a professional and as an officer of our Professional Association, not to cut back your ongoing training designed to meet the changes that encompass our profession. We must be ready to spend money and time to educate and prepare ourselves for the task ahead. I challenge you to go another step. Sell professionalism and our organization -- The International Right of Way Association -- to your employer,

your associates or anyone who will profit from the awareness to be gained.

Certain states are requiring professional certification for right of way agents. The state of Washington, for example, has passed a law requiring a Real Estate License to buy or sell real estate or any rights therein; to remain legal, an agent working in Washington must have a Real Estate License. A few years ago, Florida passed a law that requires a Real Estate License for all appraisers of real property. I believe that law has since been repealed. Other states have similar laws that say if an agent buys or sells real estate, or an interest therein, he must have a Real Estate License, exempting employees of utility companies and governmental agencies; however, there are points of controversy as to whether or not agents who have a contract with utility companies need a license. I understand some of the contract firms now are getting Real Estate Licenses in some states for their people. Alberta requires licensing of land agents. In that one province,

there are some 2,500 licensed land agents; in that same area we have 250 members in our Association.

We are studying this situation from our Association's standpoint to see how serious this is and how it may affect us. I can foresee that if states follow the example of Washington, there will be no need for an International Right of Way Association. Real estate agents will acquire all right of way. I believe that IRWA should change its Articles of Incorporation to permit us to lobby against this type of legislation and influence legislation in our behalf. Maybe we should consider licensing right of way agents as Alberta licenses its land agents, but before we can do anything, we must remove the restrictions that prohibit us from lobbying. As corporate and governmental forces further determine the scope of right of way, our voice must be heard in order that we do not lose our identity.

Article 3 of the Articles of Incorporation says, "This corporation shall not engage in religious or political activities". Deletion of Article 3 will not affect our tax-exempt status as a non-profit organization, but it will allow us to participate in molding the future. If we do not make this by-law change, we limit ourselves. To change a by-law requires a majority vote of the membership, or a two-thirds vote of the Board of Directors.

Last year I attended a legislative hearing in Salt Lake City where the legislature was studying Utah's Eminent Domain laws. There were six of us present at that hearing who were members of the International Right of Way Association, but we couldn't even mention the name. By contrast, the Farm Bureau claimed that it represented 15,000 land-owners in Salt Lake Valley. I couldn't say I represent anyone except my employer.

The time has come for IRWA to make sure that the inevitable changes representing progress do not hurt us, but are guided towards the successful implementation of the priorities and efficient growth of the right of way profession.



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