

Opening Statement

The Honorable John Fleming

Chair

House Water, Power and Oceans Subcommittee

Legislative Hearing on H.R. 1869, H.R. 2993 and H.R. 4582

April 20, 2016

Today's hearing is on three well-intended bills aimed at improving situations facing water and power ratepayers. I thank the bill sponsors for their leadership on introducing their legislation.

There has been a longstanding debate on the role of the federal government in water projects. Today will not be any different.

For generations, the federal government has used the National Economic Development process to determine the appropriate federal role in a project. As part of that calculation, if the benefits outweighed the costs based on certain criteria such as flood control, power generation water supply, and the environment among others, then a project was deemed "feasible". The costs for a feasible project would be allocated to the purposes of the project. This meant that water and power ratepayers would pay for their portions of the project. This policy is called the "beneficiary pays" rule, where those who benefit from the projects pay for those projects.

That philosophy, while still in place today for many of the Bureau of Reclamation's and Army Corps of Engineers' projects, has been shoved aside over the last few decades when it comes to certain projects. One of those programs is the so-called Title 16 program, which was enacted in 1992 and designed to help western communities recycle and desalinate water. These are laudable goals, but the question has always been over what the federal nexus is for these simple projects – especially when those local communities are not required to pay back the 25 percent federal cost share and that these projects do not undergo a rigorous National Economic Development stress-test like other projects. To bring it home, why should the taxpayers in Louisiana help pay for a single-purpose water recycling or desalination project that is owned by a California city that is the sole beneficiary?

H.R. 2993, introduced by our colleague Doris Matsui, makes this situation even worse by giving the Interior Secretary discretion to create these so-called Title 16 projects. This would

allow the program to spiral out of control and create an even bigger federal taxpayer backlog for these projects. We need to subject this program to the “beneficiary pays” rule and the National Economic Development process to start, not loosen the rules any further as this bill does.

The next bill actually improves how the federal government operates and was borne out of a recent oversight hearing in this Subcommittee. Mr. Denham’s bill, H.R. 4582, eliminates an outdated and conflicting fish-doubling requirement imposed by another 1992 law, the Central Valley Project Improvement Act. The federal law, as it stands today, requires the population of striped bass and salmon to be doubled in California. That sounds like another laudable goal, but it simply doesn’t pass the laugh test after we heard that striped bass – an invasive species – are devouring vast amounts of salmon – a native and endangered species that ratepayers devote hundreds of millions of dollars to recover. This is an instance where one federal environmental law is prioritizing non-native species over the goals of the Endangered Species Act. That needs to stop and that’s what Mr. Denham’s bipartisan bill accomplishes at no cost to the American taxpayer.

Lastly, we have Dr. Gosar’s H.R. 1869, which requires four federal agencies to be more transparent in how federal environmental laws impact some electricity ratepayers. This bill provides wholesale electric customers a mechanism to better understand what they are paying for and to debate whether these costs are effective, ineffective or somewhere in the middle. This bill rightly shines a light on government by providing more information for those who pay an agency’s bills.

With that, I welcome today’s debate and thank our witnesses for being here today.