

**EXAMINING THE PRESIDENT'S FISCAL
YEAR 2024 BUDGET PROPOSAL
FOR THE U.S. BUREAU OF RECLAMATION,
U.S. FISH AND WILDLIFE SERVICE,
NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION, AND THE
POWER MARKETING ADMINISTRATIONS**

OVERSIGHT HEARING

BEFORE THE
SUBCOMMITTEE ON WATER, WILDLIFE AND
FISHERIES
OF THE
COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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**OVERSIGHT HEARING ON EXAMINING THE
PRESIDENT'S FISCAL YEAR 2024 BUDGET
PROPOSAL FOR THE U.S. BUREAU OF
RECLAMATION, U.S. FISH AND WILDLIFE
SERVICE, NATIONAL OCEANIC AND ATMOS-
PHERIC ADMINISTRATION, AND THE POWER
MARKETING ADMINISTRATIONS**

**Tuesday, May 23, 2023
U.S. House of Representatives
Subcommittee on Water, Wildlife and Fisheries
Committee on Natural Resources
Washington, DC**

The Subcommittee met, pursuant to notice, at 10:20 a.m., in Room 1324, Longworth House Office Building, Hon. Cliff Bentz [Chairman of the Subcommittee] presiding.

Present: Representatives Bentz, Radewagen, LaMalfa, González-Colón, Carl, Boebert, Kiggans, Luna, Duarte, Hageman, Westerman; Huffman, Napolitano, Levin, Hoyle, Magaziner, Gallego, Porter, and Case.

Also present: Representative Mast.

Mr. BENTZ. The Subcommittee on Water, Wildlife, and Fisheries will come to order.

Good morning, everyone. I want to welcome our witnesses, Members, and our guests in the audience to today's hearing. The Subcommittee is meeting today to hear testimony on a hearing entitled, "Examining the President's Fiscal Year 2024 Budget Proposals for the U.S. Bureau of Reclamation, the U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and Power Marketing Administrations."

Without objection, the Chair is authorized to declare a recess of the Subcommittee at any time.

I also ask unanimous consent that the gentleman from Florida, Mr. Mast, be allowed to participate in today's hearing.

Without objection, so ordered.

I now recognize myself for an opening statement.

**STATEMENT OF THE HON. CLIFF BENTZ, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF OREGON**

Mr. BENTZ. It is important that Congress exercise its oversight authorities over the executive branch. One of the ways to do this is to have agencies explain their budgets and their missions. And that is why we are here today.

This Subcommittee has broad jurisdiction, as is evidenced by today's witnesses. Before us today we have the Bureau of Reclamation, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and the four power marketing

administrations. Each of these agencies impacts the lives of Americans daily. In fact, the majority of these agencies have a direct impact on my constituents.

It might come as a surprise, but sometimes these agencies have a hard time communicating, and in some cases their opinions conflict with each other, especially when it relates to the Endangered Species Act. Over the past 20 years, Democrats and Republicans have spent hundreds of millions of dollars trying to fix complicated situations like the Klamath River Basin in my district. And, unfortunately, I don't know one person who has said that such efforts have worked, or who can point to quantifiable benefits, but perhaps I will hear otherwise this morning.

People, including the agencies before us today, have to come to the table to help find lasting solutions so we are not left paying for solutions that never seem to happen. The status quo isn't working, at least in the Klamath, and I venture to say it is not working in other places throughout the West. These agencies and Congress can do better.

While it appears that, fortunately, our water situation along the West Coast, and particularly in California and the Klamath has improved, we still need long-term solutions. And I know each of you will be commenting upon your concepts of how we are going to achieve them.

What I will be listening for, among other things, when it comes to the Bureau of Reclamation, and I will just mention a couple of things as I was going through the reports that it has prepared, there are 489 dams over which it has jurisdiction; 361 are labeled high and significant hazard projects. It is obvious in the little part of Oregon that I live in, that these dams are extraordinarily important, but they are all extraordinarily old. So, I will be anxious to hear what is being done in regards to trying to maintain them.

I am sure we will get to hear a lot about the so-called bipartisan infrastructure plan, but I am much more interested in exactly how that money is being spent.

In regard to U.S. Fish and Wildlife, I am extremely interested in how the money is being spent on the Klamath, the \$162 million that was allocated, \$30-some million each year over the next 5 years. I am very interested in hearing how that is being invested and how it is being spent.

And, of course, not to leave NMFS out, I will just say I will be anxious to hear the actual consequences and success stories of recovery when it comes to the amount of money that we are spending.

I note in reviewing these reports that they are prospective, for the most part, and that is fine. You are asking for money for next year. So, why wouldn't you be talking about what you are going to do with it next year? But I would sure like to hear from you today on what you accomplished last year and, of course, what you are doing this year. In other words, we need to share with the American people the benefits of the massive amounts of money we are spending in these spaces.

Also, when it comes to U.S. Fish and Wildlife, I note on the very first page, there is discussion about "accelerating and improving environmental reviews in support of responsible development of

priority infrastructure projects and energy solutions.” I was taken aback a bit about the use of the word “responsible,” but you could explain what you meant by that. But what is really important is that, as we hand more money to you to make these systems work better, that they actually do work better and the money is not used to further delay what actually needs to be done, and what the American people have asked be done.

With that, I will turn this over to the Ranking Member for his opening statement.

Mr. Huffman.

STATEMENT OF THE HON. JARED HUFFMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HUFFMAN. Thank you, Mr. Chairman, and I want to thank the representatives from our Federal agencies for joining us today to discuss budget requests for the next fiscal year. This is, obviously, an important part of the work that Congress does.

How we go about this work, the decisions we make will affect millions of Americans, our nation’s economy, and our valuable fish, wildlife, and natural resources. With that in mind, it is important to acknowledge that we are not having this conversation today in a vacuum. There is context. At the other end of Pennsylvania Avenue, House Republicans are proposing draconian budget cuts that would slash agency budgets, wreak havoc on agency operations, and stunt our country’s ability to meet climate and conservation goals. If we are serious about protecting species, recovering ecosystems, and helping communities combat climate change, we must adequately fund our Federal agencies in these regards.

The budget cuts that are being proposed would hinder recovery of vulnerable species and their habitats. They would limit scientific advancements and cause permitting delays by gutting agency staff and resources needed to effectively and efficiently process permit applications.

Let me remind folks again, last Congress, Democrats secured more than \$1 billion to finally address the staff shortages and challenges with resources that are such an important part of slowing down permitting review by Federal agencies. This Congress we hear a lot about the term “permitting reform.” We hear it over and over. But our Republican colleagues have no new ideas. It is the tired, old attacks on environmental laws and no acknowledgment of something that we are already hearing from agencies and project developers that is making a difference and moving these reviews faster, finally: the fact that we allocated funding for these environmental reviews last year.

So, look, we know that a major cause of permitting delay is the limited capacity to process permits, market risk, and financing. These are all things we addressed in legislation in the last Congress. Unfortunately, our friends across the aisle voted against this legislation, and now are trying to repeal it and claw back much of that funding. So, our Republican friends need to decide: do they want to move projects faster or play politics? That is part of the context of this conversation today.

The Fish and Wildlife Service and NOAA need adequate funding to process permits and conduct consultations for the many new clean energy and infrastructure projects funded by the IIJA and IRA. That is why their proposal to allow IIJA funding to be transferred into their agencies for permitting needs is so important.

Let me take a moment to address another important issue that we have yet to see action on in this Subcommittee: climate change. Most of us agree that this is a crisis that urgently needs to be addressed. It affects every single part of our country. But the Chair of the Committee has not yet responded to our request in writing sent in March that this Committee have a hearing on the most important issue of our time, and a recent report issued by the Intergovernmental Panel on Climate Change.

Instead of facing this issue head on, House Republicans prefer to use our country's debt ceiling as a leveraging opportunity to double down on fossil fuel pollution and to make the climate crisis worse by passing huge new giveaways to big oil. That is part of the context of our conversation today.

The Republican budget proposal would slash resources for NOAA. Cutting their budget means cutting funding for essential research on the impacts of climate change to agriculture, natural resources, and inland and coastal communities. Their proposal also cuts coastal resiliency funds that helps communities prepare for and recover from the ever-increasing storms and natural disasters that their carbon pollution is causing, as well as funds used to manage fisheries that feed our nation.

Let me emphasize nothing in NOAA's portfolio is optional. We are talking about essential weather forecasting, fisheries science. Cutting NOAA's budget means cutting services that make our country safe and boost economic activity.

Likewise, for the Bureau of Reclamation, it means cutting drought response and climate resilience projects that we need to stretch our available water supply. Last Congress, we provided significant new authorities and investments for the Bureau to support climate resiliency through—I will call it the infrastructure law, we usually call it the Bipartisan Infrastructure Law, but in this Committee it was not bipartisan, except for the great Don Young, the only one who voted for it in the Natural Resources Committee—and also the Inflation Reduction Act.

I look forward to hearing more today about how the Bureau plans to build on that work over the next Fiscal Year, if Congress will let them.

With that, Mr. Chairman, I yield back.

Mr. BENTZ. Thank you, Mr. Huffman.

I am pleased to welcome the Chair of the Full Natural Resources Committee, Bruce Westerman, and I recognize him for his opening statement.

STATEMENT OF THE HON. BRUCE WESTERMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. WESTERMAN. Thank you, Chairman Bentz. And in light of Mr. Huffman's testimony I would say that we have had several hearings that addressed climate. We talked about using clean American energy, we talked about permitting reform so that we could build new distribution systems so that we cannot be reliant on Chinese supply of materials.

We do it cleaner and better and with less emissions here in the United States than anyplace else in the world, and we gave our colleagues across the aisle an opportunity to vote on good energy policy that would be good for our economy and for the global climate, and they chose to vote no on that. So, I guess it is a matter of perspective.

But Chairman Bentz, thank you for holding this hearing today. Thank you to the witnesses for being here.

From the Felsenthal National Wildlife Refuge, the Holla Bend National Wildlife Refuge in my congressional district, and the nearby red snapper fishery in the Gulf of Mexico to Alaska's longline fishing industry to California's Central Valley Project, to the Chesapeake Bay, the agencies before us today have a profound impact on the daily lives of all Americans.

The agencies play a vital role in our recreational pursuits, including hunting and fishing. They deliver water to Western farms so Americans can have access to American-grown fruits, nuts, vegetables, and other foods. They help create working water-fronts. They deliver clean, renewable, and emission-free hydro-power generation to millions of electricity ratepayers across most of the nation. And they provide jobs to our communities.

But what they give, they can also take away, and the agencies can contradict each other at times. This is why it is so important that Congress have oversight on these agencies.

We could discuss hundreds of matters today, but I want to focus on just a few.

The first one is the U.S. Fish and Wildlife Service that manages 560 national wildlife refuges across the country. They talk a good game when it comes to allowing hunters and anglers to access many of these lands and waters. Yet in reality, it has already begun the process of phasing out lead ammunition at some refuges, and is entertaining the notion of blanket lead bans across the entire refuge system. These increased costs will only decrease hunting and angling participation. At the same time, the Service has proposed new endangered species listings that will do little but hinder non-Federal conservation activities and do nothing to protect species.

In reality, many of the policies that U.S. Fish and Wildlife promulgates and many of these species listings actually do more harm to species than they do good. And if we really care about endangered species, we have to get away from this mindset of preservation and start practicing real conservation like was set out in the Endangered Species Act of 1973.

NOAA's testimony barely touches on fisheries management, particularly red snapper, which many argue is a very abundant

species in the Gulf of Mexico. You wouldn't know that from NOAA, which is not working adequately with Gulf states to incorporate data on how it counts the fish. At the same time, the agency is proposing draconian and unworkable boat speed measures on the Atlantic Coast under the guise of protecting the right whale. This will devastate coastal communities and harm boating businesses and their workers without helping the whale.

NOAA seems to be a boat lost at sea when it comes to the needs of these communities, and that is why we have requested a GAO study on what is actually harming the right whales. There doesn't seem to be much of an outcry from the Administration when we have had, what is it, 30 right whales wash up on the shore of New Jersey. I am guessing, had that been on the shore of Louisiana, there would be an outcry,

On Western water, much of the West has experienced above average precipitation that has led to full reservoirs and even flooding because of inadequate storage capacity. But as many know, we are one season away from another drought in these basins. The Administration should provide a long-term strategy for avoiding the next drought, not just rationing or redistributing existing resources or, as we see in news releases this morning, paying off states in the Colorado River System to not use water with tax dollars that have been collected from across the country.

At the same time, the Administration is working on proposals that undermine long-standing hydropower generation in the Snake River and Colorado River Basins. All of these lost energy costs will be paid for by electricity ratepayers.

Many of the agencies before us have received steady budget increases over the last few years without even adding the massive amounts of funding from the Inflation Reduction Act and the Infrastructure Investment and Jobs Act. Yet, there seems to be no grand plan about how to plan for the future and provide certainty to people, species, and our environment. It is more like moving deck chairs around on the Titanic.

I am hoping today that we will have a dialogue on how we can work collaboratively toward a better future.

I yield back.

Mr. BENTZ. Thank you, Chair Westerman. I will now introduce our witnesses: the Honorable Camille Touton, Commissioner of the Bureau of Reclamation in Washington, DC; Mr. John Hairston, Administrator and CEO of the Bonneville Power Administration in Portland, Oregon; Ms. Tracey LaBeau, Administrator and CEO of the Western Power Administration in Lakewood, Colorado; Mr. Mike Wech, Administrator of the Southwestern Power Administration in Tulsa, Oklahoma; and Mr. Virgil Hobbs, Administrator and CEO of the Southeastern Power Administration in Elberton, Georgia.

Let me remind the witnesses that under Committee Rules, you must limit your oral statements to 5 minutes, but your entire statement will appear in the hearing record.

To begin your testimony, please press the talk button on the microphone.

We use timing lights. When you begin, the light will turn green. When you have 1 minute remaining, the light will turn yellow. At

the end of 5 minutes, the light will turn red, and I will ask you to please complete your statement. I will also allow all witnesses to testify before Member questioning.

I now recognize Commissioner Touton for 5 minutes.

**STATEMENT OF THE HON. CAMILLE TOUTON, COMMISSIONER,
U.S. BUREAU OF RECLAMATION, DEPARTMENT OF THE
INTERIOR, WASHINGTON, DC**

Ms. TOUTON. Good morning. Thank you, Chairman Westerman, Chairman Bentz, Ranking Member Huffman, Congresswoman Napolitano, and the members of the Subcommittee for the opportunity to discuss the President's budget for the Bureau of Reclamation.

Reclamation is grateful for its working relationship with the Subcommittee, and I have had the privilege to serve as professional staff in this Subcommittee for four Congresses. It is good to be home.

The Bureau of Reclamation is the largest supplier and manager of water in the nation, and the second largest producer of hydro-power. Reclamation's mission supports \$66.5 billion in economic activity, and supports 472,000 jobs. Meeting our mission means addressing drought resilience, water security, climate change adaptation, ecosystem health, and issues of equity.

The need to maintain and modernize our nation's water infrastructure is an Administration priority. We have a once-in-a-generation opportunity to utilize our Fiscal Year 2024 \$1.4 billion budget request with that of the Bipartisan Infrastructure Law and the Inflation Reduction Act.

The issues we face today, as many of you have said, are unprecedented as we experienced the worst drought in the 120-year history of this organization. Record snowfall across parts of the West this year, and particularly in California, have brought some relief, but are not a respite to our years, if not decades-long drought. Snowpack is 161 percent of average in the Colorado River Basin, but the reservoirs are collectively at 36 percent of capacity.

In California's Central Valley, we experienced the three driest consecutive years on record, only to be followed with over a dozen atmospheric rivers this year. The cyclical nature of Western hydrology highlights the need for immediate actions, as well as thoughtful planning and on-the-ground work to make both our infrastructure and operational decisions more resilient to withstand future water resource scarcity and variability.

Reclamation's 2024 budget reflects a commitment to drought planning and response activities that promote water security grounded in partnership and collaboration. No basin illustrates this strategy more than the Colorado River, where yesterday we were able to announce significant progress on a framework with the lower basin states to protect the stability and sustainability of the Colorado River System. And per the request of all the Basin states, Reclamation will carry forward and analyze its proposal in the Supplemental Environmental Impact Statement.

And, appropriately, this budget request acknowledges the need to build on short-term system conservation with a focus to mitigate the impact of drought by implementing projects like aquifer

recharge and storage that will build long-term resiliency, with \$24 million included in Reclamation's Drought Response Program. This funding supplements the \$4 billion from the Inflation Reduction Act, allowing us to continue and focus on the majority of our funding for long-term investments.

We must also plan for the future of our infrastructure. Reclamation's dams and reservoirs, water conveyance systems, and power generating facilities serve as the water and power infrastructure backbone of the American West. However, as with all infrastructure, these features are aging and in need of critical maintenance. Our 2024 budget request includes \$105.3 million for extraordinary maintenance, combined with our Bipartisan Infrastructure Law investments of \$825 million in Fiscal Year 2022 and \$585 million for 2023.

We are constructing our largest dam safety modification project ever at the B.F. Sisk Dam in California, \$100 million, supported by a Fiscal Year 2024 Dam Safety Program request of \$210 million. This funding not only addresses B.F. Sisk Dam, but also El Vado in New Mexico and 10 additional projects across the West. We are able to leverage this funding more effectively to address West-wide needs in an accelerated manner due to the \$500 million in safety of dam funding from the Bipartisan Infrastructure Law.

Reclamation will continue to manage the drought in real time and plan for the future, with a focus on people, partnerships, and investments. And we are committed to working with Congress and our partners and stakeholders in carrying out that mission, and our Fiscal Year 2024 budget supports these actions.

I again thank the Subcommittee, and I am happy to answer any questions.

[The prepared statement of Ms. Touton follows:]

PREPARED STATEMENT OF CAMILLE CALIMLIM TOUTON, COMMISSIONER, U.S. BUREAU OF RECLAMATION

Thank you, Chairman Bentz, Ranking Member Huffman, and members of the Subcommittee for the opportunity to discuss with you the President's Fiscal Year (FY) 2024 Budget for the Bureau of Reclamation. I am Camille Calimlim Touton, Commissioner for the Bureau of Reclamation.

The issues we face today are unprecedented as we experience the worst drought in the 120-year history of this organization. This challenges Reclamation's ability to deliver water and produce hydropower in the way we have in the past. Climate change has made it likely that we will continue to experience the same, or worse, hydrology in the future. Record snowfall and rain across parts of the West—and particularly California—have brought some relief. While we are thankful for the benefits, we must not forget the cyclical nature of western hydrology. Therefore, this is not a time for Reclamation, the States and Tribes to take our foot off the gas. It is an opportunity to get ahead of the planning. Reclamation will continue to manage the drought in real time, focusing on our enduring priorities of People, Partnerships, Investments—and Hydrology in the West.

Reclamation manages water for agriculture, municipal and industrial use, the environment, and provides flood control and recreation for millions of people. Reclamation's projects and programs serve as the water and power infrastructure backbone of the American West, constituting an important driver of economic growth in hundreds of basins through the Western States. Reclamation's activities support economic activity valued at \$66.6 billion, and support approximately 472,000 jobs.¹ Reclamation delivers 10 trillion gallons of water to millions of people each year and provides water for irrigation of 10 million farmland acres, which

¹U.S. Department of the Interior Economic Contributions Report—Fiscal Year 2019.

yields approximately 25 percent of the Nation's fruit and nut crops, and 60 percent of the vegetable harvest.

Reclamation's fundamental mission and programs—modernizing and maintaining infrastructure, conserving natural resources, using science and research to inform decision-making, serving underserved populations, and staying as nimble as possible in response to the requirements of drought and a changing climate—position it as an exemplar for the Biden-Harris Administration's core tenets. The Bureau of Reclamation's FY 2024 budget provides the foundation to meet our mission, and to manage, develop, and protect water resources, consistent with applicable State and Federal law, and in a cost-effective and environmentally responsible manner in the interest of the American public. Reclamation remains committed to working with a wide range of stakeholders, including water and power customers, Tribes, State and local officials, and non-governmental organizations, to meet its mission.

Reclamation is requesting a gross total of \$1,449,314,000 in Federal discretionary appropriations, which is anticipated to be augmented by over \$2.4 billion in other Federal and non-Federal funds for FY 2024. Of the total, \$1,301,012,000 is for the Water and Related Resources account, which is Reclamation's largest account, \$66,794,000 is for the Policy and Administration account, and \$33,000,000 is for the California Bay Delta account. A total of \$48,508,000 is budgeted for the Central Valley Project Restoration Fund.

Activities to Support Tribal Programs & Tribal Water Rights Settlements:

Reclamation tackles the challenges of racial equity and underserved communities through investments in Tribal water rights settlements, continuation of the Native American Affairs technical assistance program, rural water projects, and investments in specific projects for underserved communities through programs such as WaterSMART. The Bipartisan Infrastructure Law PL 117-58 (BIL) and Inflation Reduction Act appropriations both invest substantial portions of its funding to underserved populations, and rural and Tribal communities.

The FY 2024 discretionary request also includes \$35.5 million for the Native American Affairs program to improve capacity to work with and support Tribes in the resolution of their water rights claims and to develop sustainable water sharing agreements and management activities. This funding will also strengthen Department-wide capabilities to achieve an integrated and systematic approach to Indian water rights negotiations to consider the full range of economic, legal, and technical attributes of proposed settlements. Finally, funding also supports Reclamation efforts for Tribal nations by supporting many activities across the Bureau, including some rural water projects, the Yakima River Basin Water Enhancement Project, the Klamath Project, and the Lahontan Basin project, among others.

Conservation and Climate Resilience:

Reclamation's projects are able to address the Administration's priorities to address conservation and climate resilience through funding requests for the WaterSMART program, funding to secure water supply to our refuges, and proactive efforts through providing sound climate science, research and development, and clean energy.

The WaterSMART Program serves as the primary contributor to Reclamation's and the Department of the Interior's Water Conservation Priority Goal. Since 2010, projects funded under contributing programs, including WaterSMART Grants, Title XVI (Water Recycling and Reuse Program), California Bay-Delta Program, Yakima River Basin Water Enhancement Project, and Desalination construction projects have achieved a total of 1,682,005 acre-feet water savings.

Through WaterSMART, Reclamation works cooperatively with States, Tribes, and local entities as they plan for and implement actions to address current and future water shortages, including drought; degraded water quality; increased demands for water and energy from growing populations; environmental water requirements; and the potential for decreased water supply availability due to climate change, drought, population growth, and increased water requirements for environmental purposes. This includes cost-shared grants for water management improvement projects; water reclamation and reuse projects; watershed resilience projects; the Basin Study Program; and drought planning and implementation actions to proactively address water shortages. The FY 2024 request includes \$62.9 million for the WaterSMART Program.

Climate Science:

Reclamation's FY 2024 budget for Research and Development (R&D) programs includes \$22.5 million for the Science and Technology Program, and \$7.0 million for Desalination and Water Purification Research—both of which focus on Reclamation's mission of water and power deliveries. Climate change adaptation is

a focus of Reclamation's R&D programs, which invests in the production of climate change science, information and tools that benefit adaptation, and by yielding climate-resilient solutions to benefit management of water infrastructure, hydropower, environmental compliance, and water management.

The Desalination and Water Purification Research program addresses drought and water scarcity impacts caused by climate change by investing in desalination and water treatment technology development and demonstrations for the purpose of more effectively converting unusable waters to useable water supplies. The Science and Technology program invests in innovation to address the full range of technical issues confronting Reclamation water and hydropower managers and includes the Snow Water Supply Forecasting Program that aims to improve water supply forecasts through enhanced snow monitoring and water management to address the impacts of drought and a changing climate.

Modernizing and Maintaining Infrastructure:

Reclamation's water and power projects throughout the western United States provide water supplies for agricultural, municipal, and industrial purposes. Reclamation's projects also provide energy produced by hydropower facilities and maintain ecosystems that support fish and wildlife, hunting, fishing, and other recreation, as well as rural economies.

Dam Safety:

Reclamation manages 489 dams throughout the 17 Western States. Reclamation's Dam Safety Program has identified 361 high and significant hazard dams at 241 facilities, which form the core of the program. Through constant monitoring and assessment, Reclamation strives to achieve the best use of its limited resources to ensure dam safety and maintain our ability to store and divert water and to generate hydropower.

The Dam Safety Program helps ensure the safety and reliability of Reclamation dams to protect the downstream public. Approximately 50 percent of Reclamation's dams were built between 1900 and 1950, and approximately 90 percent of the dams were built before adoption of currently used, state-of-the-art design and construction practices. Reclamation continuously evaluates dams and monitors performance to ensure that risks do not exceed the Federal Guidelines for Dam Safety Risk Management and the Public Protection Guidelines. The Dam Safety Program represents a major funding need over the next 10 years, driven largely by necessary repairs at B.F. Sisk Dam in California. The B.F. Sisk Dam is a key component of the Central Valley Project, providing 2 million acre-feet of water storage south of the California Sacramento-San Joaquin River Delta. Reclamation is modifying the dam to reduce the risk of potential failure resulting from potential overtopping in response to a seismic event, using the most current science and technology to develop an adaptive and resilient infrastructure. In addition to B.F. Sisk, Reclamation has identified 12 projects with anticipated modification needs through 2030, as well as 5 additional projects that will be assessed for potential risk reduction efforts prior to 2025.

The proposed budget also requests \$105.3 million for specific Extraordinary Maintenance (XM) activities across Reclamation in FY 2024. This request is central to mission objectives of operating and maintaining projects to ensure delivery of water and power benefits. Reclamation's XM request relies on condition assessments, condition/performance metrics, technological research and deployment, and strategic collaboration to better inform and improve the management of its assets and deal with its infrastructure maintenance challenges. Reclamation was also appropriated \$3.2 billion in the BIL, and the allocation plan for FY 2024 funding has been provided to Congress as mandated.

Renewable Energy:

Reclamation owns 78 hydroelectric power plants. Reclamation operates 53 of those plants to generate approximately 15 percent of the hydroelectric power produced in the United States. Each year on average, Reclamation generates about 40 million megawatt hours of electricity and collects over \$1.0 billion in gross power revenues for the Federal Government.

Reclamation's FY 2024 budget request includes \$3.5 million to increase Reclamation hydropower capabilities and value, contributing to Administration clean energy and climate change initiatives and enhancing water conservation and climate resilience within the power program.

Section 70101 of the BIL established the Indian Water Rights Settlement Completion Fund (Completion Fund), making \$2.5 billion available to the Secretary of the Interior to satisfy Tribal settlement obligations as authorized by Congress prior to enactment of the BIL. In FY 2022 and FY 2023, the Department allocated

\$2.26 billion of those funds, \$608.5 million of which supported Reclamation's Tribal settlement implementation actions. Additional funding from the Completion Fund will be allocated in FY 2024. In addition to the Completion Fund, FY 2024 represents the fifth year of Reclamation Water Settlements Fund (RWSF) allocations, which provide \$120 million in annual mandatory authority for Reclamation Indian water rights settlements. Funding made available by previous mandatory authorities, such as that authorized in the Claims Resolution Act, remain available for settlement implementation, while the ongoing operations and maintenance requirements of the Arizona Water Settlement Act are expected to continue to be supported within the Lower Colorado River Basin Development Fund.

The investments described in Reclamation's FY 2024 budget, in combination with BIL and the Inflation Reduction Act implementation and prior year efforts will ensure that Reclamation can continue to provide reliable water and power to the American West. Water management, improving and modernizing infrastructure, using sound science to support critical decision-making, finding opportunities to expand capacity, reducing conflict, and meeting environmental responsibilities are all addressed in this FY 2024 budget request. Reclamation continues to look at ways to plan more efficiently for future challenges faced in water resources management and to improve the way it does business.

Thank you for the opportunity to summarize the President's FY 2024 Budget Request for the Bureau of Reclamation.

Mr. BENTZ. Thank you, Commissioner. I now recognize Mr. Hairston for 5 minutes.

**STATEMENT OF JOHN HAIRSTON, ADMINISTRATOR AND CEO,
BONNEVILLE POWER ADMINISTRATION, DEPARTMENT OF
ENERGY, PORTLAND, OREGON**

Mr. HAIRSTON. Good morning, Chairman Bentz and members of the Subcommittee. I am John Hairston, Administrator and CEO of the Bonneville Power Administration based in Portland, Oregon, and serving the Pacific Northwest.

My written testimony on Bonneville's performance and initiatives reflects the dedication of staff and leaders who have met the challenges of the last 3 years with dedication and resilience. I ask that to be entered into the record.

It is my pleasure to share Bonneville's financial performance remains strong. We expect to end the Fiscal Year 2023 in a healthy position, despite this year's early run-off and high market prices.

With ample reserves, careful financial management, the nation's leading credit rating agencies recently confirmed our financial strength. Further evidence of Bonneville's financial performance is our proposal to hold power and transmission rates flat for Fiscal Years 2024 and 2025. BPA's financial strength allows us the opportunity to meet the growing demand for new transmission service.

With \$10 billion in additional borrowing authority provided by Congress in the IIJA, Bonneville is positioned to support the regional economic development we see in our customers' transmission requests. Through our annual method of processing these requests, we have identified a group of priority expansion projects that are in various stages of development. Some of these projects will move new clean energy resources from east of the Cascades to population centers in the West. Other projects support new economic development in areas such as Tri-Cities Washington and eastern Oregon.

We are also developing new approaches to grid planning and expansion. We are starting with modifying the way we process

generation interconnection requests, of which we see unprecedented demand. As such, we are looking at options to prioritize the generation projects that are ready for interconnection.

On the power side of our business, we are planning for the next two decades of service to utilities through long-term power sales contracts. With current contracts ending in 2028, we are working closely with customers to develop the next generation of power sales policy and contracts.

In addition, we are looking at expanding electricity markets to enhance the delivery of reliable, affordable hydropower. Last May, Bonneville joined the Western Energy Imbalance Market, or EIM, which helps optimize surplus capacity and load service. Any revenues generated by our EIM participation will help us keep power rates low.

Moreover, we are now engaged in the development of a new day-ahead market opportunity, one being developed by the California Independent System Operator and the other by the Southwest Power Pool. We see a lot of potential value in day-ahead markets as a way to provide more efficient use of generation and transmission across the West. We have contributed funding to the next phase of SBP's day-ahead market development, and remain engaged in the development of the Cal ISO market, as well. Our goal is to have two viable options to consider before making a choice to join either market.

Bonneville also played a leading role in the development of the Western Resource Adequacy Program, or WRAP. This program is a major step toward ensuring reliability while utilities across the West integrate new clean resources into the grid. Bonneville worked diligently to ensure that the program is consistent with our preference obligations.

The 2022 Water Resources Development Act directed the Corps to conduct disposition studies for power purposes at eight Willamette Dams. Bonneville estimates that power production from Willamette Valley Systems will be even more uneconomical with the diminished operations and additional structural costs proposed by the U.S. Army Corps of Engineers. Bonneville is eager to complete the disposition studies for consideration by Congress.

And BPA's exceptional performance during the recent challenging years is a testament to and would not have been possible without our highly-skilled workforce. So, it is of great concern that competition for talent in the electric power industry is increasingly difficult under Federal general schedule and government classification standards. Hiring and compensation approaches outside of Title 5 need to be explored.

I am proud of the accomplishments of our people and their ongoing dedication to delivering tremendous value to the communities and economies of the Pacific Northwest. We remain committed to meeting our statutory obligations through sound business principles, environmental stewardship, and financial discipline.

Mr. Chairman, this concludes my testimony, and I will be happy to respond to any questions by the Subcommittee.

[The prepared statement of Mr. Hairston follows:]

PREPARED STATEMENT OF JOHN HAIRSTON, ADMINISTRATOR AND CHIEF EXECUTIVE OFFICER, BONNEVILLE POWER ADMINISTRATION

Good morning, Chairman Bentz and members of the Subcommittee. My name is John Hairston and I am the Administrator and Chief Executive Officer of the Bonneville Power Administration (Bonneville). I am pleased to be here today to discuss Bonneville's proposed budget for Fiscal Year 2024 and to discuss Bonneville's current initiatives.

Role of the Bonneville Power Administration

Bonneville is a Federal Power Marketing Administration headquartered in Portland, Oregon. It serves a 300,000 square mile area that includes Oregon, Washington, Idaho, western Montana, and parts of northern California, Nevada, Utah, and Wyoming.

Bonneville markets electric power, provides transmission, and supports development of energy conservation throughout the region. Bonneville markets the electric power produced from 31 Federal hydroelectric projects owned by the U.S. Army Corps of Engineers (Corps) and the Bureau of Reclamation (Reclamation). The 31 projects have a total electric generating capacity of over 22,000 megawatts and produce 8,593 average megawatts in an average water year. Bonneville also acquires non-Federal power, including the power from one nuclear power plant, the Columbia Generating Station, to meet the needs of its customer utilities.

Bonneville maintains and operates over 15,000 circuit miles of transmission lines and associated facilities over which this electric power is delivered. Its transmission system is a substantial majority of the Northwest's high-voltage electric grid. It is Bonneville's responsibility to plan for and fund the operations and maintenance of this system, while also preserving and enhancing physical security, cyber security, and overall system resilience.

Bonneville is fully self-financed, issues bonds directly to the U.S. Treasury, and receives no direct annual appropriations for operations. Bonneville has authority to borrow up to \$17.7 billion from the U.S. Treasury which is available on a permanent revolving basis. Bonneville's power rates and transmission rates are set to recover its costs.

Bonneville is also required to protect, mitigate, and enhance fish and wildlife, including related spawning grounds and habitat, affected by the development and operation of hydroelectric projects of the Federal Columbia River Power System pursuant to the Pacific Northwest Electric Power Planning Act ("Northwest Power Act").

Bonneville Strategic Direction Update

Bonneville is producing an updated strategic plan, building on the 2018–2023 Strategic Plan that established objectives for Bonneville to operate in a commercially successful manner while meeting its statutory obligations. Bonneville developed this strategic plan after listening to customers and constituents express their interests in Bonneville's commercial viability and ability to meet those obligations. The 2018–2023 strategic plan was developed at the point when Bonneville was midway through 20-year firm power sales contracts with its preference power customers.

The 2024–2028 Strategic Plan builds on the framework of the previous plan, coming from a place of financial strength and with competitive rates. Bonneville's new strategic plan focuses on six goals:

- Invest in people
- Enhance the value of products and services
- Sustain financial strength
- Mature asset management
- Preserve safe and reliable system operations
- Modernize business systems and processes

Financial Plan

In 2022, Bonneville continued its focus on financial strength with a public process to refresh its Financial Plan. The objective of the Financial Plan Refresh was to ensure Bonneville's long-term financial goals are supported with the appropriate targets, metrics and policies. The scope of the project focused on debt management, debt capacity, and capital execution performance reporting. Bonneville engaged customers and constituents through a series of workshops to discuss proposals. Bonneville published its 2022 Financial Plan on September 14, 2022.

In April 2023, the nation's leading credit agencies affirmed their positive ratings and outlook for Bonneville's financial health in their reports on debt instruments issued by non-Federal entities but secured by payment and other financial commitments provided by Bonneville. These ratings are:

- Moody's at Aa2 with a positive outlook,
- S&P Global Ratings at AA- with a stable outlook, and
- Fitch at AA with a stable outlook.

Bonneville Financial Performance

In Fiscal Year 2022, Bonneville met or exceeded all of its financial metrics. Bonneville ended the Fiscal Year with net revenues of \$964 million, far exceeding its rate case estimates. Its strong financial performance was the result of positive weather and river conditions allowing Bonneville to benefit utility customers and power consumers across the region. It also reflected continued cost management in the face of supply chain constraints and inflationary pressures.

As a result, Bonneville announced in December its intention to use a portion of its financial reserves for Power (\$500 million) and Transmission (\$63.1 million) rate reductions in Fiscal Year 2023, as well as for other high-value Power- and Transmission-specific purposes including fish and wildlife.

Fiscal Year 2024 Budget Overview

Bonneville is in sound financial condition. Its Fiscal Year 2024 budget proposes estimated accrued (self-financed) expenditures of \$2,879 million for operating expenses, \$46 million for projects funded in advance by customers, and \$929 million for capital investments. Bonneville funds its approximate \$3.9 billion in annual cost of operations and investments primarily through power and transmission revenues and borrowing from the U.S. Treasury at market determined interest rates. Please see Attachment A Bonneville budget data below based on current services for fiscal years 2022–2028.

Debt Repayment

Bonneville ratepayers repay, with interest, the debt on the Federal investment in the FCRPS. In Fiscal Year 2022, Bonneville made its full scheduled payment of \$951 million to the U.S. Treasury. This payment marks the 39th consecutive year Bonneville made a full, on-time payment to the U.S. Treasury. Bonneville expects to make the 40th consecutive Bonneville payment to the U.S. Treasury, currently estimated at \$965 million, by the end of this fiscal year, on time and in full.

This Fiscal Year 2024 Budget includes capital and expense estimates based on initial approved spending proposals from Bonneville's BP-24 Integrated Program Review. Capital investment levels reflect Bonneville's capital asset management process and external factors such as changes affecting the West Coast power and transmission markets, along with planned infrastructure investments designed to address the long-term needs of the region and national energy security goals.

Fiscal Year 2024–2025 Rates

In November 2022, Bonneville issued its Northwest Power Act section 7(i) Initial Proposal for power and transmission rates for Fiscal Year 2024–2025. This proposes a settlement to hold power and transmission rates flat. Upon final adoption by the Administrator, expected this summer, the rates are filed with the Federal Energy Regulatory Commission for interim and/or final approval to be in effect at the beginning of Fiscal Year 2024 on October 1.

New Power Sales Contracts

For decades, Bonneville supplied Federal power to utility customers serving communities throughout the Northwest through long-term power sales to regional utilities. Bonneville is the sole or major power supplier for most of these customers. With current contracts ending in 2028, Bonneville is working to preserve these important and mutually beneficial relationships through its Provider of Choice initiative to develop future power sales policies and contracts. The backdrop of this undertaking is more complex than ever before.

In developing the next generation of power sales policy and contracts, Bonneville is committed to being responsive to its customers' evolving needs while working within the framework established by Bonneville's statutes. Bonneville is committed to offering products and services that are equitable, administratively straightforward, and offered at the lowest possible rates consistent with sound business principles.

In addition to supplying power from the Federal base system, Bonneville seeks to also offer customers flexibilities to invest in and integrate non-Federal resources they choose to use to supply electricity to serve their load. This collaborative policy and contract work will position Bonneville to support its customers and their communities for decades to come.

Western Markets Engagement

New markets present opportunities to enhance the delivery of reliable, affordable and carbon-free hydropower to our customers and optimize the Federal transmission system. Hydropower, an indispensable tool that boosts grid reliability and flexibility currently accounts for 32% of America's renewable electricity generation. One year ago, Bonneville successfully joined the Western Energy Imbalance Market (EIM). This participation allows Bonneville to obtain lowest cost real-time balancing energy from a wider Western market while also receiving greater value for Bonneville's clean hydro resources when there are opportunities and available supply.

Leveraging this experience in the EIM, Bonneville actively engages in shaping two market initiatives underway in the West—the California Independent System Operator's Extended Day Ahead Market and Southwest Power Pool's Markets Plus—to ensure they work with our statutory obligations and support our customers' needs and interests. Input from our customers and the public will inform our decision about whether to participate in either market option.

Bonneville is taking an incremental approach toward more integrated system operations, promising to enhance reliability and resilience. Bonneville will consider moving beyond a day-ahead market, if it chooses to participate in one, through the evaluation of services and benefits that could be provided by a regional transmission operator.

Bonneville played a leading role in the development of the Western Resource Adequacy Program, a major step toward ensuring reliability while integrating new clean resources into the grid and assuring it have the resources needed to meet demand.

Energy Efficiency

For more than forty years, Bonneville has been the catalyst in the Pacific Northwest in the development of conservation as a resource to meet the load demands placed on Bonneville by its regional power customers. Conservation, or energy efficiency, is Bonneville's priority resource to meet its regional contractual firm power load obligations. As of last year, Bonneville's cumulative energy efficiency savings totaled 2,532 average megawatts since the passage of the Northwest Power Act in 1980.

Transmission Service and Interconnections

Bonneville is experiencing significant demand for new transmission service and for interconnections to its transmission system. Several factors account for this demand. Clean energy policies in the states of Oregon and Washington are driving an increase in transmission service requests, particularly into the Portland, Oregon, area and the Puget Sound region of Washington. While these load centers are on the west side of Bonneville's service area, much of the new clean resources able to meet their demand are located east of the Cascade Mountains. Meanwhile, Bonneville expects the reduced operation of 4.5 gigawatts of carbon-emitting generating capacity on the west side of the region. These situations of demand growth and generating resource location shifts will increase the need for transmission flows across the Cascades.

Bonneville responds to requests for new transmission service through its Transmission Study and Expansion Process, or TSEP. The initial phase of the annual TSEP is through the Cluster Study, which Bonneville has used since 2008. In the Cluster Study, Bonneville evaluates which of its pending transmission service requests can be met by existing facilities and which will require transmission system upgrades or expansion. Through the Cluster Study process, Bonneville can ensure that requestors bear the appropriate share of costs for studies to identify network upgrades.

The Cluster Study process allows Bonneville to confirm which of the transmission service requests in its queue are prepared to make the necessary financial commitments to continue in the process and, ultimately toward construction. Requestors who are interested in continuing through design and construction make commitments to take the transmission service they are seeking and securitize the projects. Bonneville generally funds project construction, recovering its costs from its ratepayers.

In last year's Cluster Study, Bonneville studied 144 transmission service requests with an associated demand of 11,118 megawatts. Of those requests, Bonneville was able to award over 1,000 megawatts of service without system upgrades. Customers representing about 7,000 megawatts elected to receive next step agreements in the TSEP to continue supporting identified reinforcements or projects. Bonneville expects to complete its 2023 Cluster Study by November 2023.

This past February, Bonneville initiated a stakeholder engagement process to begin pursuing changes related to its Generation Interconnection process. Bonneville currently has approximately 143,000 megawatts of interconnection requests pending in its queue for analysis, much of which are related to Washington and Oregon clean energy policies.

This demand for new generation interconnections to transmission is not unique to Bonneville or the Pacific Northwest. It is a national challenge as Federal and state policies incent the transition of electric generation resource mixes. Last year, the Federal Energy Regulatory Commission issued a Notice of Proposed Rulemaking (NOPR) targeting improvements in the interconnection process.

Bonneville evaluated concepts proposed in the NOPR and generally supports the concept of a first ready, first served Cluster Study process with readiness requirements. We are exploring the details of this concept and additional options through public discussions this spring and will propose tariff revisions this summer.

FCRPS Reallocation and Disposition Studies

While the Federal hydroelectric dams of the Columbia and Snake Rivers are valuable clean energy assets for the Pacific Northwest, Bonneville is concerned by the sharply declining value of Federal hydroelectric generation from Oregon's Willamette Valley. The Willamette Valley System was authorized by Congress primarily for flood risk management and the 11 dams in the system continue to provide considerable benefits to downstream communities for flood protection as well as for water supply and recreation. Eight of the dams have power generating capability and Bonneville pays approximately 40 percent on average of the joint costs for those dams.

The Willamette dams were built without fish passage facilities and, in response to litigation, the Corps is investigating structural and operational measures to provide fish passage at the power producing Willamette dams. In addition, the Corps proposed in the recent draft Environmental Impact Statement for the Willamette Valley System to indefinitely extend reservoir operations for fish passage that reduce power generation by about a third of recent annual average production of 184 average. These dams are among the highest cost projects in Bonneville's hydro portfolio, the estimated cost of structural measures will add to Bonneville's annual capital repayment costs which affect its rates for power customers. In addition, the Corps proposed in the recent draft Environmental Impact Statement for the Willamette Valley System to indefinitely extend reservoir operations for fish passage that reduce power generation by about a third of recent annual average production of 184 average megawatts.

In the Fiscal Year 2020 Energy and Water Appropriations Act, the House Committee report directed the Corps, Reclamation, and Bonneville to report on methods to modernize allocation of project costs among authorized purposes to reflect current benefits. The Corps and Bonneville focused on the cost allocations for the Willamette dams but could not agree on the method for updating cost allocations. For reference, in the Draft Environmental Impact Statement for the Willamette Valley System, the Corps estimates the annual value of flood protection from the dams as over \$1 billion a year, while the value of hydroelectric production averages \$26 million a year.

Similarly, for Fiscal Year 2021, the House committee report directed the Corps and Bonneville to continue to work to resolve their approaches to cost reallocation and provide quarterly reports on their progress. Bonneville has provided quarterly reports to the Committee.

In the 2020 Water Resources Development Act, Congress directed the Corps to report within 2 years of passage on the impacts of deauthorizing the power purposes at the Cougar and Detroit/Big Cliff projects of the Willamette Valley System. Bonneville provided its own assessment to the Corps that, because power production is a residual purpose of the Willamette dams and is available only after other project purposes have been optimized.

The 2022 Water Resources Development Act directed the Corps to conduct disposition studies for the power purpose at the eight Willamette dams within 18 months of enactment. The Corps has had initial meetings to discuss the scope of the disposition studies.

Fish and Wildlife

Bonneville funds regional efforts to protect, enhance, and mitigate fish and wildlife, including related spawning grounds and habitat, affected by the development and operation of hydroelectric projects of the Federal Columbia River Power System. In addition, the Administration is leading discussions to address issues in long-standing litigation regarding Columbia River fish mitigation.

These discussions include future Columbia River System operations and exploring Snake River and upper Columbia River habitat restoration opportunities. The current litigation stay runs through August 31st, and court-approved mediation is ongoing to seek resolution.

As part of Bonneville's fish and wildlife program and funding, in March 2023, Bonneville, the Corps, and the Reclamation agreed to an extension of the Columbia Basin Fish Accords through September 2025 with some Northwest states and tribes. These Accords are commitments by Bonneville, the Corps, and Reclamation for hydro, habitat, and hatchery actions that provide tangible benefits to salmon and other fish and wildlife species. These three year extensions will provide approximately \$409 million in fish restoration and protection.

The Accords were first established in 2008 and since then have protected more than 41,800 acres of riparian area and nearly 100,000 acre-feet of water. Through the funding provided by the Accords, States and Tribes have restored nearly 600 miles of streams, opened access to nearly 2,000 miles of fish habitat, and improved lamprey passage at Corps dams.

Columbia River Treaty

The Columbia River Treaty is an agreement between the United States and Canada that jointly coordinates operations for flood risk management and hydro-power generation and provides other benefits as well. The Treaty went into effect in 1964 and is a model of transboundary water resource cooperation.

The United States and Canada are nearing an important date for the Treaty: In 2024, the Treaty shifts from 60 years of prepaid Canadian flood control space to an ad-hoc flood-risk management approach. In March, the United States and Canada committed to intensify work over the coming months to seek a modernized Columbia River Treaty regime to better reflect today's realities, while continuing to provide benefits to both of them.

The U.S. Government received authorization to negotiate with Canada on the Columbia River Treaty in October 2016. Global Affairs Canada notified the U.S. State Department in December 2017 of Canada's mandate to negotiate the Columbia River Treaty with the United States. Negotiations began in spring 2018 and continue to date. Both the U.S. Department of State and Canadian negotiators have discussed shared objectives and exchanged information on flood risk management, hydropower and ecosystem considerations. Bonneville will continue supporting the U.S. State Department in negotiations with Canada to achieve the U.S. objectives for a Modernized Columbia River Treaty Regime.

Conclusion

Bonneville continues to deliver tremendous value to the communities and economy of the Pacific Northwest, meeting its statutory obligations. I am proud of the accomplishments of our people and their dedication to Bonneville's mission. This concludes my testimony, Mr. Chairman, and I will be happy to respond to the Subcommittee's questions.

Attachment A

Bonneville Funding Profile by Subprogram^{1/}

(Accrued Expenditures in Thousands of Dollars)

	Fiscal Year			
	2022 Actuals	2023 Original ^{2/}	2023 Revised ^{2/}	2024 Proposed
Capital Investment Obligations				
Associated Project Costs ^{3/}	190,294	264,120	281,260	270,000
Fish & Wildlife	16,119	43,000	43,000	41,335
Subtotal, Power Services	206,413	307,120	324,260	311,335
Transmission Services	373,500	497,086	497,160	593,840
Capital Equipment & Bond Premium	20,905	22,002	21,047	23,983
Total, Capital Obligations ^{3/}	600,818	826,208	842,468	929,159
Expensed and Other Obligations				
Expensed	2,994,653	2,733,825	2,758,063	2,879,919
Projects Funded in Advance ^{4/}	120,536	55,775	61,166	45,924
Total, Obligations	3,716,007	3,615,808	3,661,697	3,855,001
Capital Transfers (cash)	694,200	696,000	735,596	673,266
Bonneville Total (Obligations & Capital Transfers)	4,410,207	4,311,808	4,397,293	4,528,267
Bonneville Net Outlays	(806,000)	(324,967)	(332,469)	(208,923)
Full-time Equivalents (FTEs) ^{5/}	2,847	3,000	3,000	3,000

Public Law Authorizations include:
 Bonneville Project Act of 1937, Public Law No. 75-329
 Federal Columbia River Transmission System Act of 1974, Public Law No. 93-454
 Regional Preference Act of 1964, Public Law No. 88-552
 Flood Control Act of 1944, Public Law No. 78-543
 Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act), Public Law No. 96-501

Bonneville Outyear Funding Profile by Subprogram^{1/}

(Accrued Expenditures in Thousands of Dollars)

	Fiscal Year			
	2025	2026	2027	2028
Capital Investment Obligations				
Associated Project Costs ^{3/}	275,875	281,620	288,001	294,794
Fish & Wildlife	41,300	29,000	15,700	15,000
Subtotal, Power Services	316,875	310,620	303,701	309,794
Transmission Services	581,009	555,897	537,180	546,032
Capital Equipment & Bond Premium	22,830	24,990	23,180	23,970
Total, Capital Obligations ^{3/}	920,814	891,507	864,061	879,796
Expensed and Other Obligations				
Expensed	2,993,800	3,094,149	3,176,877	3,257,217
Projects Funded in Advance ^{4/}	55,007	53,073	53,907	54,751
Total, Obligations	3,969,620	4,038,729	4,094,846	4,191,763
Capital Transfers (cash)	646,624	660,089	612,307	406,879
Bonneville Total (Obligations & Capital Transfers)	4,616,244	4,698,818	4,707,153	4,598,642
Bonneville Net Outlays	(137,386)	(121,344)	(102,062)	(49,988)
Full-time Equivalents (FTEs) ^{5/}	3,000	3,025	3,075	3,125

These notes are an integral part of this table.

^{1/} This budget has been prepared in accordance with PAYGO. Under PAYGO all Bonneville budget estimates are treated as mandatory and are not subject to the discretionary caps included in the Budget Control Act of 2011. These estimates support activities that are separate from discretionary activities and accounts. Thus, any changes to Bonneville estimates cannot be used to affect any other budget categories which have their own dollar caps. Because Bonneville's obligations are and will be incurred under pre-existing legislative authority, Bonneville is not subject to a "pay-as-you-go" test regarding its revision of current-law funding estimates.
 For BP-1 table, the CI reflects forecasted outlays while the year-end GTAS reflects the actual outlay in the Budget Appendix.

^{2/} Original estimates reflect Bonneville's FY 2024 OMB Budget Submission. Revised estimates, consistent with Bonneville's annual near-term funding review process, provide notification to the Administration and Congress of updated capital and expense funding levels for FY 2024. The BPA estimates in this budget are consistent with the BP-24 IPR.

^{3/} Includes infrastructure investments to address the long-term electric power related needs of the Northwest and significant changes affecting Bonneville's power and transmission markets.

^{4/} In this instance, Projects Funded in Advance represents prepayment of Power customers' bills reimbursed by future credits and third party non-federal financing for Conservation initiatives. Also this category includes those facilities and/or equipment where Bonneville retains control or ownership which are funded or financed by a third party, revenue, or with Power or Transmission reserves, either in total or in part.

^{5/} As of 10/20/2022, DOE HR staff has reported FY 2022 BPA's FTE usage at 2,847.

Mr. BENTZ. Thank you, Mr. Hairston. I now recognize Ms. LeBeau for 5 minutes.

**STATEMENT OF TRACEY LeBEAU, ADMINISTRATOR AND CEO,
WESTERN AREA POWER ADMINISTRATION, LAKEWOOD,
COLORADO**

Ms. LeBEAU. Hi, good morning and thank you. Mr. Chairman and members of the Committee, my name is Tracey LeBeau, Administrator for Western Area Power Administration, and I am pleased to be here.

The WAPA is amongst the nation's largest transmission owners and providers, covering a footprint spanning across 15 Western states. We market power from 57 Federal hydroelectric projects, delivering it through our 17,000 miles of high voltage transmission. WAPA's 1,900 employees and contractors work tirelessly and with great pride to keep the lights on for the 40 million Americans we and our customers serve. Together, we deliver on our mission to safely provide reliable, cost-based hydropower and transmission.

The challenges and opportunities we face today and have been facing for a while, I am going to discuss today. In 2022, drought threatened WAPA's entire service territory for the first time. As a start, WAPA convened and continued a dialogue on drought impacts on power with our Federal partners and our most affected Colorado River Basin customers in order to listen, and to share, and to seek solutions together.

While conditions have improved in the last 6 months, the mega-drought remains akin to a slow-moving natural disaster. We have cut costs and we have also raised rates only as necessary to maintain reliability, and we continue to plan for the probable, as the overall trajectory of the drought is expected to continue.

Reduced hydropower has also resulted in increased replacement power purchases on the market. We have seen increased costs and market supply risk for us and our customers, incidentally, many of whom serve the most rural and economically vulnerable communities in the West.

WAPA's purchased power and wheeling authority is an important financial guardrail against drought as it funds these replacement power purchases. At this time, WAPA projects its fiscal year-end reserves to be 39 percent below target. In the first half of Fiscal Year 2023, purchase power and wheeling costs were 40 percent higher than the same time the year prior. We fully recover all costs through customer rates and, thanks to your support of our purchase power and wheeling program, we were able to mitigate economic impacts to our customers.

In 2022, WAPA also experienced an increase in other extreme weather events, resulting in damage to lines and facilities, and exacerbated by supply chain and resource challenges. We have repaired and we have replaced, but those issues remain material risks that we are tracking on closely.

As you know, our core mission is providing safe and reliable electricity. As such, WAPA continues to operate and maintain our grid to high standards and, when needed, we also rebuild and upgrade our lines, and we are pursuing innovative ways to do so. One example is our recent announcement with Tucson Electric Power to partner on our Vail-to-Tortolita Project, demonstrating how to rebuild and improve reliability without raising WAPA's rates. It is a model for future large-scale public-private partnerships.

Innovative partnerships are also opportunities. Our Transmission Infrastructure Program, which manages WAPA's \$3.25 billion borrowing authority, is uniquely positioned to support new and expanded transmission in the West. TIP stands ready with projects at various stages of development.

Energy markets can also enhance how we reliably deliver power and dynamic energy landscape. WAPA was the first PMA to fully join a regional transmission organization, or RTO, in 2015. Today, we are involved in and exploring every major market initiative in the Western Interconnection. As of last month, WAPA now participates in real-time energy imbalance markets across our entire footprint, as these markets can improve resource availability and facilitate integrating renewables into the grid.

And WAPA is currently seeking public comment on whether to explore expanding full membership into the Southwest power pool's RTO—that decision coming this summer.

Physical security is of increasing concern to the grid. We continue to harden our Federal assets from physical and cyber risks. Although there is no specific physical risk to WAPA at this time, we increased our security posture this winter in response to increased attacks across the country. And in the cyber realm, on average, our firewalls block almost 7 million actions per day. We remain vigilant 24/7/365, and are proud of the work our cyber teams do to keep our systems safe and secure.

With that, I will conclude my remarks and look forward to questions. Thank you.

[The prepared statement of Ms. LeBeau follows:]

PREPARED STATEMENT OF ADMINISTRATOR TRACEY LEBEAU, WESTERN AREA
POWER ADMINISTRATION

Thank you, Mr. Chairman and Members of the Subcommittee. My name is Tracey LeBeau. I am the Administrator of the Western Area Power Administration (WAPA). I am pleased to speak to you today as WAPA powers forward empowering communities and securing a resilient energy future. Our enduring mission is to safely provide reliable, cost-based hydropower and transmission to our customers and the communities we serve.

WAPA is one of four Power Marketing Administrations (PMAs) within the U.S. Department of Energy (DOE). Our responsibilities are to market and transmit wholesale electric hydropower from 14 multiuse water projects, own and maintain a large integrated transmission system for delivering that power and leverage our \$3.25 billion borrowing authority to finance and support new and expanded transmission and related facilities which is managed through our WAPA Transmission Infrastructure Program (TIP), all to benefit the American public. WAPA markets and transmits hydropower from 57 Federal dams operated by the Bureau of Reclamation (Reclamation), the U.S. Army Corps of Engineers (Corps), and the International Boundary and Water Commission (IBWC). This power benefits rural economies, public power entities, irrigation districts, Indian Tribes, Federal and state agencies, and others who, in turn, serve more than 40 million Americans in the West. Hydropower is an indispensable tool in our clean energy toolbelt. It's a renewable energy source. Hydropower currently accounts for 32% of America's renewable electricity generation. Meanwhile, it helps boost grid reliability and flexibility.

WAPA is among one of the nation's largest transmission owners and providers with a footprint encompassing about 1.3 million square miles of diverse ecosystems and populations, from urban to rural, plains to mountains, and deserts to forests. Spanning 15 states: Arizona, California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah, and Wyoming. The communities we serve have a wide variety of energy interests and needs; for example, we are always cognizant that what works in Montana

may not work in California, and customer needs in Arizona differ from those in Colorado.

Communities in WAPA's footprint depend on the power WAPA delivers each day to light and heat their homes, and to power their local economies, manufacturing bases and other economic centers. It is our duty to ensure electricity is available and affordable to those who have come to rely on it for critical basic needs.

In this testimony, I will outline the challenges and obstacles caused by extreme conditions, such as extreme weather and drought. I will describe our financial model and budget requirements to optimize investments in system reliability and improve cost efficiency. I will present opportunities before us in markets and transmission to facilitate solutions, and I will relay what we are doing to protect the grid from bad actors.

Powering WAPA forward to 2030

WAPA's new strategic plan *Power Forward 2030*, published in February 2023, provides a framework to safeguard a sustainable energy future, modernize the grid, and invest in employees. Its purpose carves a clear path through changing environments, new technologies, emerging markets, physical and cyber security threats and societal shifts, while executing the mission. Value propositions identified by customers, stakeholders, and employees during significant collaboration played a critical role in shaping the plan.

Drought

In the last six months, drought conditions improved in the West, but it will take years of similar rain and snowpack to get us out of the deficit we still face. Drought for WAPA and WAPA customers has essentially been a slow-moving natural disaster. Long-term drought reduces hydropower availability for our customers, who are often forced to rely on purchasing power from the market or tasking us to do so on their behalf. And as we are all in the market to purchase that power, in many areas, it is leading to scarcity and pricing volatility. To exacerbate the challenge, WAPA customers impacted serve some of the most economically vulnerable, rural populations in the United States.

Drought threatened WAPA's entire service territory for the first time in 2022 but varied from region to region. The megadrought significantly reduced hydropower production in the river basins from which WAPA markets electrical power. Hydropower production in 2022 was 30% below the long-term average in the Upper Colorado River Basin. Similar results occurred in other Western basins. The northern portion of the WAPA service territory faced challenges but is now well-positioned in 2023 after recent hydrology improvements, but we remain vigilant. Impacts of sustained drought affect the Sierra Nevada (SN) region differently. Power rates are insulated from adverse conditions due to the region's marketing plan structure, which ensures power revenue requirement recovery despite generation output. Drought does impact SN in its ability to respond to bulk electric system disturbances due to limited generating capacity at its power plants, which in turn, increases the risk to firm power delivery and can negatively affect system reliability. During this past winter, snowpack was considerably above average in SN, so we are expecting a much better summer generation outlook for that system.

Rain and snowpack are better this year to a moderate extent in other WAPA regions. This includes the Colorado River Storage Project (CRSP) Management Center and Glen Canyon Dam at Lake Powell. As a result, inflow to Lake Powell is expected to be 177% above average during the April to July 2023 runoff season in the water-starved Colorado River Basin.¹

However, according to the April 2023 Most Probable 24-Month Study from the U.S. Department of the Interior Bureau of Reclamation (Reclamation), this megadrought will require multiple years of above average hydrology and additional actions to regain the water volume lost in Lake Powell and Lake Mead in our WAPA Desert Southwest (DSW) region. Based on current climate projections, the overall trajectory of the drought will continue.

Customers of the Colorado River Storage Project (CRSP) Integrated Projects where the megadrought is most severe faced steep prices for replacement power on the spot market. Inflation and supply-chain constraints exacerbated these conditions. In response, WAPA raised rates as necessary and cut costs where possible. WAPA worked hard to hold-the-line on expenses in this rising cost environment, while maintaining the integrity of the system. As part of WAPA's efforts to work with partners on persistent drought issues, last July WAPA hosted a dialogue with

¹ USBR/UC April 2023 24-month study. Found at: https://www.usbr.gov/uc/water/crsp/studies/24Month_04.pdf

partners and customers to explore potential long-term solutions to drought impacts on power and transmission. During discussions, key themes emerged: maintaining WAPA's transmission systems; seeking opportunities to optimize transmission to support replacement or supplemental clean power options; system flexibility; grid stability and black start capability among others. The engagement with customers on drought provided a platform from which to listen and we are continuing to actively seek collaborative solutions.

Overall, the benefits of hydropower continue even in times of extreme drought. Despite resource variability, environmental and other challenges, hydropower remains among the lowest cost and cleanest energy resources available.

Purchase Power & Wheeling

Purchase Power and Wheeling (PPW) has proven to be a critical element in sustaining WAPA's mission. The PPW program enables WAPA to fulfill contractual obligations to our customers whenever the generation output from any of the 57 hydroelectric plants in WAPA's portfolio is insufficient. As part of WAPA's Power Marketing Authorities, PPW reserves provide an up-front funding source from which WAPA can purchase replacement power as operationally necessary. This authority is particularly critical during drought. PPW acts as a financial bulwark against drought. Starting in 2021, WAPA observed marked changes in power reserves due to drought and sought congressional support for additional PPW funding as conditions persisted. The Bipartisan Infrastructure Law and Disaster Relief Supplemental Act of 2023 funding have been critical in allowing us to address the significant drought and rising energy market impacts. It is important to note that all PPW costs incurred are fully recovered from customers through rates.

Most recently, during the first half of fiscal year 2023, WAPA incurred approximately \$538 million dollars in PPW costs. This amount is 40% higher than the PPW costs for the same period in fiscal year (FY) 22 and exceeded WAPA's annual costs incurred during all but seven of the last 30 years. In this challenging operating environment, it is important that WAPA proactively manage risk by seeking to maintain PPW and other reserves at target levels. For perspective, and relative to WAPA's PPW reserve target of \$1.4 billion, WAPA's fiscal-year end PPW reserves are projected to be \$850 million, 39% or \$550 million below target. I would like to thank the committee as well as all Members of Congress who provided support to WAPA's PPW program during the last few years amid unprecedented drought conditions.

Extreme Weather

WAPA has experienced a marked increase in extreme weather events, including drought, which has presented operational challenges. In particular, extreme microburst monsoons, derecho storms, atmospheric rivers have resulted in transmission infrastructure damage for WAPA and our customers. WAPA maintenance and operations professionals have operated successfully through these challenges but the prospect of increasing extreme weather events like this will begin to present concerning challenges due to supply chain pressures on inventory and timelines as well as the human resources required to respond to mutual aid. These events can also increase the risk of wildfires.

WAPA has performed at the highest level in response to these challenges. We remain vigilant at the risks posed by extreme weather events and deliberating how best to plan and protect our system from impacts.

Transmission Infrastructure Program

The Transmission Infrastructure Program (TIP) manages WAPA's \$3.25 billion borrowing authority, extending WAPA's existing authorities under Reclamation Law, as codified in the Hoover Power Plant Act. The program was established in 2009 when Congress granted WAPA the authority to borrow up to \$3.25 billion from the U.S. Treasury to construct or facilitate the development of transmission, and related facilities, to facilitate the delivery of renewable energy. TIP is uniquely positioned as a standalone line of business within WAPA. TIP provides financing to support transmission and related facilities projects which support important federal, state, and customer goals, including infrastructure expansions and upgrades, grid reliability and resiliency, clean energy integration, decarbonization, and new jobs. In addition, TIP offers risk mitigation to developers and competitive financing solutions to make project rates affordable to end customers.

Since TIP's inception, they have seen three projects to fruition: Electrical District 5 to Palo Verde Hub, Montana-Alberta Tie, and Transwest Express, through a total of \$277 million in loans, either repaid or in good standing.

Currently, TIP stands ready with six agreements for projects in different regions and markets, in various stages of development.

TIP's mission is well-positioned to address the pressing need for additional electric infrastructure as outlined in the draft February 2023 National Transmission Needs Study, conducted by the DOE Grid Deployment Office (GDO). The study estimates that by 2040, regional transmission will increase from 2020 levels, ranging from a modest 2%–5% increase in some regions, and up a dramatic 54%–221% in others. In addition, the study estimates that by 2040, 5–101 gigawatts of transfer capacity are added in areas including at least one WAPA region.²

In-region and between-region transmission development as well as greater deployment of utility-scale energy storage or pumped hydro will increase the market demand for TIP project development and financing support. Time is of the essence as TIP requires access to long-term, reliable funding ahead of market demand.

Transmission Project Partnerships

A core tenant of WAPA's mission is to provide safe and reliable transmission service. WAPA continuously maintains, rebuilds and upgrades its existing infrastructure as well as builds new transmission lines working collaboratively with local communities, state and Federal agencies, and neighboring utilities. These projects are opportunities to modernize our grid, a goal of *Power Forward 2030*.

One project, Vail-to-Tortolita, demonstrates how to improve reliability without raising rates. WAPA partnered with Tuscon Electric Power (TEP) for a planned upgrade of an existing a 60-mile, 230-kilovolt, double-circuit transmission line. Existing wood pole structures from the 1950s will be replaced with resilient steel monopoles. Construction is set to begin in 2024 and be complete in 2027.

Tied to the Southline Transmission Project, Vail-to-Tortolita sets a precedent for how future large-scale and public-private partnerships could be successful.

Markets

The energy industry has become more and more integrated in the last decade, which has changed not just how we individually operate, but also how we work together with other utilities to reliably serve load, meet clean energy goals and plan and build needed infrastructure. Markets will be a critical tool and platform to enable those goals. WAPA was the first PMA to fully join a regional transmission organization in 2015. Today, WAPA is involved in every major market initiative in the Western Interconnection.

Following four years of effort and hard work to lay critical systems and foundations in place, WAPA is now fully participating in real-time energy imbalance markets:

- Upper Great Plains (UGP), Rocky Mountain (RM) and Colorado River Storage Project (CRSP) offices have been full participants in Southwest Power Pool (SPP) Western Energy Imbalance Service (WEIS) market since it launched in February 2021.
- Sierra Nevada (SN) has been participating the California Independent System Operator (CAISO) Western Energy Imbalance Market (WEIM) for more than a year, and Desert Southwest (DSW) went live in the WEIM early last month.

This important milestone reflects the diligent effort of WAPA staff across multiple functional organizations. Real-time markets provide benefits in a changing environment to include reliable delivery of hydropower and facilitating the integration of solar and wind energy resources into the transmission grid.

On the horizon, CRSP, RM and other utilities in the West are exploring full membership in the Southwest Power Pool (SPP) Regional Transmission Organization (RTO) and UGP is evaluating expanding its participation in the SPP RTO into the Western Interconnection. UGP's Western Interconnection transmission facilities are already under the SPP tariff, and its Eastern Interconnection facilities are already in the SPP RTO Integrated Marketplace. WAPA is seeking written public comments from its customers, and stakeholders on the substance of the recommendation and has opened consultation with our Tribal partners who have a stake in the outcome. WAPA anticipates deciding whether to pursue final negotiations with SPP in summer 2023. If an affirmative decision is made, SPP RTO go-live in the Western Interconnection is projected for Spring 2026.

² Pages 96–97 draft U.S. DOE Transmission Needs Study. Found at: National Transmission Needs Study—Draft for Public Comment (February 2023) (energy.gov)

WAPA is committed to keeping pace with changes in the industry to ensure that we, along with our customers, are well positioned for the continued success of our mission to safely provide reliable, cost-based hydropower and transmission to our customers and the communities we serve. To do that thoroughly and proactively, WAPA must also keep the grid secure by protecting its physical and cyber assets.

Physical and Cyber Security

WAPA is responsible for protecting more than 1,900 employees and contractors, four control centers and SCADA systems, over 17,000 miles of transmission lines more than 320 substations and associated critical energy infrastructure. To protect its assets, WAPA developed a data-driven, risk-based approach to protecting its assets and standardized security methodologies and processes.

Although there has not been a specific physical threat to WAPA's assets, we increased our security posture this winter in response to the increased attacks on electric infrastructure across the country. Our protocols include close coordination with the Federal Bureau of Investigations, local law enforcement and other utilities and partners as well as following industry rules and regulations. As you know and have seen, attacks on electric infrastructure are serious crimes that can result in power outages which can disrupt critical life and safety services and negatively impact economic activities. Repairing and replacing damaged equipment also increases costs to electric ratepayers.

WAPA continues to mature its cybersecurity capabilities through a greater understanding of and visibility into each system, reducing its overall risk. Given current trends in the cyber threat environment and evolving regulatory standards, WAPA will continue to invest in protection capabilities.

In addition to executing a Zero Trust Strategy plan to support Executive Order (EO) 14028, WAPA is:

- Subjecting key procurement activities to increased scrutiny via the Supply Chain Risk Management program.
- Integrating control systems data with DOE data sharing and analysis efforts.
- Participating in the Department of Homeland Security Continuous Diagnostics and Mitigation program and deployment of approved hardware and software tools.
- Deploying advanced data analytics tools.
- Enhancing services in WAPA's Secure Enclave Support Center, permitting safe, secure and accountable IT activities in our sensitive enclaves.

In 2022, WAPA's cybersecurity tools detected more than 73,000 suspicious actions that required further investigation. All events were resolved and nearly 99% were resolved within two days. On average, WAPA's cybersecurity tools block 6.7 million actions per day on its firewalls. We will continue to explore enhancements to protect and further harden the federal power system from physical and cyber risks and attacks, including sabotage.

Closing Statement

Staying ahead of extreme conditions, trends, and strategic opportunities extends our ability to reach our strategic goals: safeguarding a sustainable energy future, modernizing the grid, and investing in employees. As we begin to implement Power Forward 2030, WAPA remains committed to engaging in robust dialogue, acting swiftly to adapt to change, and relying on its dedicated workforce.

As the energy landscape evolves, WAPA stands ready to address challenges and seize opportunities for the benefit of its customers and the nation. WAPA will continue to empower communities and employees as we work to secure a resilient energy future for generations to come.

Thank you, Mr. Chairman, and members of the Subcommittee, for your attention and consideration. I am available to answer any further questions you may have.

Mr. BENTZ. Thank you, Ms. LeBeau. I now recognize Mr. Wech for 5 minutes.

STATEMENT OF MIKE WECH, ADMINISTRATOR, SOUTHWESTERN POWER ADMINISTRATION, DEPARTMENT OF ENERGY, TULSA, OKLAHOMA

Mr. WECH. Mr. Chairman and members of the Subcommittee, I am Mike Wech, Administrator of the Southwestern Power Administration. Thank you for the invitation to be here today.

For 80 years, Southwestern has worked with its partners to market and deliver low-cost, clean, renewable, emissions-free Federal hydropower in the Southwest region. As one of four power marketing administrations in the nation, Southwestern markets a little over 2,000 megawatts of hydroelectric power from 24 multi-purpose projects owned by the U.S. Army Corps of Engineers.

On average, Southwestern sells about 5.6 billion kilowatt hours of electricity each year, with annual revenues of about \$200 million. We also operate and maintain a high voltage transmission system, along with line protection and communications components to keep our infrastructure secure. We have 102 wholesale customers in Arkansas, Kansas, Louisiana, Missouri, Texas, and Oklahoma, which serve over 10 million end users in our footprint.

Southwestern and its customers depend on water in the reservoirs to generate hydropower, and that water comes almost exclusively through rainfall. Our long-term storage is limited, and when it rains the hydropower flows, but when it is dry Southwestern must rely upon power purchase agreements to meet our contractual obligations to our customers. We plan for contingencies like drought, but having reliable funding is an important aspect of that planning.

Southwestern has been fortunate to have our program funded through a combination of appropriations and congressional authorities, providing us the opportunity to operate according to sound business principles. To fund our purchases, we have historically relied upon congressional authority to use receipts over the long term, across good water years and bad. Prior-year balances has been available to Southwestern, so that we are financially prepared and able to achieve rate stability for our customers.

Last year's enacted budget provided Southwestern such authority, and it was the first time in 5 years that it had been granted. The President's Fiscal Year 2024 budget proposal before you today seeks a continuation of that authority.

As I mentioned, a critical part of operating and maintaining a high voltage system is keeping the infrastructure secure. Southwestern's efforts on this front begin first and foremost with our commitment to safety and to fostering a work environment that is healthy and free of uncontrolled hazards and unsafe work practices. I am proud to report that just this month we received a safety award of excellence from the American Public Power Association, recognizing Southwestern's safe working environment.

Our staff works around the clock to make sure our systems are secure and available to support not only Southwestern and its customers, but also the electrical grid that is vital to our nation's energy security. Hydropower generators respond quickly to changes in electrical demand and provide valuable and flexible support to the bulk grid in times of crisis. Two recent examples are Winter Storm Uri in February 2021 and Winter Storm Elliot in December

2022. In both these cases, Southwestern worked with its customers to reduce electrical demand so that hydropower generators could be used for critical voltage support to stabilize the grid.

While we count on hydropower generators to continuously perform, we also realize that long-term investment is what will keep them operating and available over the next few decades. Southwestern and its ratepayers have facilitated over \$1.1 billion through our customer funding program to fix and replace components such as turbines, generators, related equipment at Corps-owned plants.

Mr. Chairman, I want to take the opportunity to thank you, the members of the Subcommittee, and all the Members of Congress who directly represent the beneficiaries of the Federal hydropower program for your partnership.

Southwestern's request for appropriations for Fiscal Year 2024 is \$11.44 million, which represents only 6 percent of Southwestern's entire budget. We plan to use our authority for offsetting collections and alternative financing to make up the remainder of our request.

This concludes my testimony, and I would be happy to address any questions that you or the Subcommittee may have.

[The prepared statement of Mr. Wech follows:]

PREPARED STATEMENT OF ADMINISTRATOR MIKE WECH, SOUTHWESTERN
POWER ADMINISTRATION

Subcommittee Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee, thank you for the opportunity to share information about our program and highlights of the President's Budget Proposal for Fiscal Year (FY) 2024 for the Southwestern Power Administration (Southwestern).

This year—2023—marks Southwestern's 80th anniversary, and our four score years of experience marketing and delivering low-cost, clean, renewable, and emissions-free hydropower generated at Federal projects in the southwest region of this great Nation has also generated decades of growth and opportunity for towns, businesses, and citizens alike.

The customers we serve are our partners, as are the people we work with at the U.S. Army Corps of Engineers (Corps), the U.S. Department of Energy (DOE), state and Federal resource agencies like the U.S. Fish and Wildlife Service, and you—the Members of Congress who directly represent the beneficiaries of Federal hydropower.

I appreciate the opportunity to appear before you today to present details about Southwestern's program.

Southwestern Profile

Southwestern markets a combined capacity of 2,194 megawatts (MW) of hydroelectric power from 24 multi-purpose dams owned by the Corps. On average, Southwestern markets 5,600,000 MW-hours of energy annually, with revenue of approximately \$200 million per year.

We operate and maintain 1,381 miles of high-voltage transmission lines, 26 substations and switching stations, and a communications system that includes digital microwave, VHF radio, and fiber optic components. Federal workers and contractors serve from offices located in Gore, Oklahoma; Jonesboro, Arkansas; Springfield and Nixa, Missouri; and Tulsa, Oklahoma, and many also work remotely from field sites and home offices as necessary.

Our customers are not-for-profit electric cooperatives, municipalities, and military installations located in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas. Wholesale Federal hydropower allocations range from the largest at 478 MW, and the smallest at just 100 kilowatts. Regardless of customer size, each is integral to our success and all contribute to Southwestern's revenue and to repayment of the Nation's investment in our program. The concept of "beneficiary pays" is alive and well at Southwestern, where rates are designed to recover the cost, with interest,

of the generating plants, transmission equipment, communication systems, and administrative and overhead expenses.

Hydro Only System

Unlike two of our three sister agencies in the more mountainous regions of the country, where there is water storage in the form of snowpack, Southwestern's system has no long-term storage of water. Instead, Southwestern depends almost entirely on rainfall to refill the reservoirs in our region and, consequently, storage is often monitored on a month-to-month basis.

Waterpower is the nation's oldest source of renewable energy and is integral to the clean energy solutions used in our fight against climate change. When it rains, the hydropower flows, but when there are extended dry periods, Southwestern must rely on other arrangements to meet our contractual obligations to our customers, most often through power purchases with marketers and with temporary self-supply provisions with our customers.

With the full implementation of electricity markets and with the impending increases in capacity reserves to assure electrical reliability by the Regional Transmission Organizations (RTOs), the competition for affordable capacity can be fierce. Southwestern performs both short and long-term planning to address capacity shortfalls, but an important aspect of planning is having reliable funding to increase flexibility.

Funding

Southwestern has been fortunate for some years now to have our program funded through a combination of appropriations and congressional authorities, providing us the opportunity to operate according to sound business principles.

Last year's enacted budget provided Southwestern Congressional authority to use our power receipts to cover the cost of any extended purchases we might have to make to cover capacity shortfalls during extended dry periods. It was the first time in five years such authority was granted, and the President's FY 2024 Budget requests a continuation of this authority for power purchases.

Without such authority, Southwestern must rely on the Continuing Fund,¹ which must be repaid within 12 months, to fund power purchases during drought and extended dry periods. Southwestern designs its rates to recover the cost of routine and known power purchases, but power purchases over an extended period of time using the Continuing Fund will result in significant rate spikes, which would be keenly felt by our customers and the citizens they serve. Use of receipts authority smooths out the cost of extended power purchases and provides for better long-term planning.

In addition to the authority to use receipts for power purchases, Southwestern's program is also funded by alternative financing and other authorities approved by Congress, including appropriations, which, incidentally, represents only about 6% of Southwestern's total program needs. Generally, the more funding flexibility we have, the more efficiently we can operate our business and provide a high-value product to our customers.

Safety and National Energy Security

In Southwestern's role as an electric utility, safety is hands-down the number one goal. Our dispatchers, maintenance workers, communications crews, and information technology and cyber security professionals work around the clock to make sure our systems are secure and available to support not only Southwestern and its customers but also the bulk electrical grid that is vital to our Nation's energy security. Hydropower generators respond quickly to changes in electrical demand and provide valuable and flexible support to the bulk electric grid in times of crisis.

Weather is often the cause of crises to the electrical grid, and two recent examples where Southwestern was able to provide support are Winter Storm Uri in February 2021 and Winter Storm Elliot in December 2022.

During Uri, Southwestern was asked by the Southwest Power Pool (SPP) RTO to reduce electrical demand due to a surge in electricity use in the region. Southwestern was able to work with its customers to reduce demand and to bring

¹The Southwestern Continuing Fund (16 U.S. Code §825s-1) is a mandatory Treasury fund established with appropriations in 1949 (amended in 1951 and 1989) which allows for access to funding to ensure continuity of operations and delivery of power in emergency circumstances. The fund is replenished through power receipts upon use and all costs are recovered through power rates. Existing one-year cost recovery policy established in 2008 limits Southwestern's use of the fund for replacement energy and drought mitigation needs due to the projected rate impacts this funding source would have on rates charged to customers.

customer behind-the-meter generation online so generation from Corps hydropower plants could be used for voltage support to contribute to the electrical stability of the bulk electrical grid.

Though not as severe as Uri, Elliot was also a significant weather event. The SPP RTO issued conservation operations alerts and Southwestern and its customers once again were able to reduce demand to help shore up the grid.

Southwestern, along with other entities in the SPP RTO footprint and nationwide, has become increasingly aware of the necessity of improving our situational awareness of our customers and utility neighbors and the need for everyone to work together to maintain reliability across a combined footprint.

Reliability and Infrastructure

As the examples above illustrate, we work closely with the SPP RTO to keep the lights on, but we also work with SPP on many other initiatives vital to Southwestern's program and to the region in general. As a contract participant with SPP, we coordinate transmission planning, repair, and system protection activities. We also participate in SPP working groups and region-wide initiatives dedicated to the reliability of the Nation's bulk electric grid.

Our agency specific planning includes a long-term construction plan to prioritize investments, and we evaluate and plan yearly to make sure the appropriate work is being done, even as we strive to keep downward pressure on expenditures.

We are also actively engaged in investing in the Corps-owned generating assets in our marketing region. With the Corps' partnership and the unwavering support of our customers, we have a well-established customer funding program that allows for reinvestment in critical infrastructure so that Federal hydropower will continue to be competitive for future generations.

As of this—our 80th—year, over \$1 billion in funding has been approved under the customer funding program. There are over 500 completed and ongoing projects to replace or repair aging equipment, such as turbines, generators, gates, pipes, cranes, and electrical components, in the Corps powerhouses. To date, we have completed three major plant rehabilitations under the program, with three more in the construction phase, and six more in the design and planning stage.

Sustainable Workforce

Along with planning for sustainable funding and infrastructure comes planning for a sustainable workforce. As my fellow Power Marketing Administrators may agree, recruiting and keeping good workers is an ongoing challenge.

Recent initiatives, including the formulation of a new strategic plan in 2020, have put the focus on recruiting for activities critical to Southwestern's success. Dispatchers, high-voltage electricians, and craft workers are being actively recruited, as are employees in financial management, contracting, reliability compliance, resources, power marketing, and engineering.

Our strategic direction regarding our workforce is to strive to be fully staffed, with a team of highly-qualified, engaged professionals who are excited to work for Southwestern. Our strategic values support this effort, and we ask that Southwestern employees work together, dedicate themselves to Southwestern's success, and engage, embrace, and address changes and challenges.

Federal Hydropower Council and Water Storage Reallocations

I have thus far presented many successes and challenges related to Southwestern's program, and I would like to conclude my summary with by sharing the successes and challenges of one our most valuable partnerships.

In 2016, in response to significant Federal hydropower reinvestment activities in Corps hydropower facilities across the Nation and to address growing concerns from the marketing agencies over pending water storage reallocations, the Corps convened a meeting of its own leadership and that of the PMAs under the Federal Hydropower Council (FHC). The Bureau of Reclamation joined the FHC the following year, and 2023 marks the seventh anniversary of the group.

The FHC has allowed interagency collaboration to identify best practices for the acquisition of equipment, development of a first of its kind training program specifically for hydropower acquisitions, adoption of industry standard approaches for operations and maintenance of the powerhouses, standardization of hydropower asset management, and a unified message about the benefits of Federal hydropower nationwide.

Yet two areas of the FHC collaboration remain unresolved. We are having ongoing discussions regarding water storage reallocations and the appropriate assignment of costs for joint-use of the multi-purpose projects from which the PMAs market power. Southwestern is optimistic continued discussions will yield resolutions.

In the end, the FHC has the common goal of doing things better, faster, and cheaper to improve the Federal hydropower product, and Southwestern is proud to be a part of this effort to benefit the Federal hydropower program, our collective customers, and the Nation.

Budget Highlights

Southwestern’s FY 2024 request for appropriations is \$11.44 million (Attachment 1). The use of alternative financing and offsetting collection authorities to fund expenses and Purchase Power and Wheeling are all essential to Southwestern accomplishing its mission with minimal Congressional appropriations.

Conclusion

For 80 years, Southwestern has worked with its partners to successfully market and deliver Federal hydropower in the southwest region. I am committed to working together through these partnerships so that Southwestern can continue to provide low-cost, clean, renewable, and emissions-free hydropower for the benefit of the Nation.

Mr. Chairman, this concludes my testimony. I would be pleased to address any questions that you or the Members of the Subcommittee may have.

Attachment 1

Southwestern Power Administration
FISCAL YEAR 2024 BUDGET REQUEST SUMMARY
(dollars in thousands)

	FY 2023 Enacted	FY 2024 Request
Program Direction (PD)	38,250	39,172
Operation and Maintenance (O&M)	15,517	16,759
Construction (CN)	16,035	13,806
Purchase Power and Wheeling (PPW)	93,000	120,000
Subtotal, Southwestern Power Administration	162,802	189,737
Offsetting Collections, PD (annual expenses)	-34,882	-32,002
Offsetting Collections, O&M (annual expense)	-7,998	-8,884
Offsetting Collections, PPW	-70,000	-80,000
Alternative Financing, PD	-0.00	-4,217
Alternative Financing, O&M	-5,279	-4,388
Alternative Financing, CN	-11,035	-8,806
Alternative Financing, PPW	-23,000	-40,000
Total, Southwestern Power Administration	10,608	11,440

Mr. BENTZ. Thank you, Mr. Wech. I now recognize Mr. Hobbs for 5 minutes.

STATEMENT OF VIRGIL HOBBS, ADMINISTRATOR AND CEO, SOUTHEASTERN POWER ADMINISTRATION, ELBERTON, GEORGIA

Mr. HOBBS. Subcommittee Chair Bentz, and Ranking Member Huffman, and members of the Committee, I am Virgil Hobbs. I am the Administrator of Southeastern Power Administration. I appreciate the opportunity to share with you this morning Southeastern’s Fiscal Year 2024 budget request and information about our program.

From our headquarters in rural Elberton, Georgia, Southeastern personnel proudly market and deliver reliable, cost-based Federal hydroelectric power from 22 multi-purpose projects operated by the U.S. Army Corps of Engineers. Southeastern's 11-state service area is Alabama, Florida, Georgia, Illinois, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

In Fiscal Year 2022, Southeastern sold nearly 7.5 billion kilowatt hours of carbon-free energy to 472 wholesale public body and cooperative customers, with benefits reaching over 12 million consumers.

Southeastern's Fiscal Year 2024 operating budget request of \$94.4 million results in a net appropriation of \$0. Rates charged to our wholesale customers recover all of Southeastern and core costs allocated to power. FERC confirms Southeastern's proposed interim rates on a final basis for a 5-year term. Marketed system rates are reviewed annually to ensure revenue is adequate to meet repayment obligations. Southeastern does not anticipate proposing any new rates until the Cumberland and Kerr-Philpott electrical systems reach full term in 2025.

Federal hydropower must remain a viable part of our customers' energy resource portfolios. As the energy landscape in the Southeast evolves, variables including the formation of the Southeast Energy Exchange Market, reduction in base load coal generation, new nuclear power delays, volatile natural gas prices, and alternative intermittent renewables have made affordable, reliable Federal hydropower vitally essential to our customers. Southeastern's ability to consistently deliver energy, especially through Winter Storm Elliot in December 2022, has earned high praise and appreciation from our patrons.

A Virginia municipal customer prodded Southeastern to begin an effort to provide Renewable Energy Certificates, or RECs, inherent with the hydropower generation. Since December 2020, Southeastern has transferred 2.3 million validated RECs to our North Carolina and Virginia customers of the Kerr-Philpott system. Southeastern's process of revising the three remaining power marketing policies to include REC distribution will conclude this year. The potential REC volume is 6 million annually, and all of Southeastern's customers are extremely grateful to be accessing this additional economic benefit of Federal hydropower.

The Water Resources Development Act of 2000 enabled hydropower customers to fund core hydropower infrastructure reliability improvements. Since inception in 2004, Southeastern has conveyed \$819 million of energy and capacity sales receipts to accomplish generation replacements and renewals.

Southeastern's Cumberland system customers have agreed to fund \$1.2 billion of planned rehabilitations of all 28 generators of the Corps' Nashville district. The first three generator replacements are complete, and contracts to rehabilitate seven more have been awarded. Customers have authorized \$24 million to install a dissolved oxygen injection system upstream of the 312-megawatt Wolf Creek Project to regain year-round full-power output by providing downstream, fish-friendly habitat.

Southeastern maintains strong, cooperative working relationships with our preference customers and core partners. Future

success of the Federal hydropower program relies on the success of these relationships and our ability to find solutions to complex challenges threatening the program through higher costs and reduced generation capability.

Over the past 6½ years, the power marketing administrators have met with Corps commanding generals to discuss topics critical to the sustainability of our jointly-managed Federal hydropower electric system. Progress must still endure, and meaningful change must be achieved in key areas if substantial plan reinvestment in these Federal renewable assets can continue in these times of competitive and dynamic markets.

Finally, I would just like to thank the dedicated and important civil service of the Southeastern Power Administration employees, and thank you again for this opportunity to testify before you today.

[The prepared statement of Mr. Hobbs follows:]

PREPARED STATEMENT OF ADMINISTRATOR VIRGIL G. HOBBS III, SOUTHEASTERN
POWER ADMINISTRATION

Subcommittee Chairman Bentz, Ranking Member Huffman, and Members of the Committee, I am Virgil Hobbs, Administrator of the Southeastern Power Administration (Southeastern). I appreciate the opportunity to share the Fiscal Year (FY) 2024 budget request for Southeastern, including current program issues, recent agency accomplishments and upcoming activity.

Profile of Southeastern Power Administration

Southeastern's mission is to market and deliver Federal hydroelectric power at the lowest possible cost, consistent with sound business principles, to public bodies and cooperatives in accordance with Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s).

With a staff of 44 full-time employees, Southeastern markets approximately 3400 megawatts of power produced at 22 multipurpose projects, operated and maintained by the U.S. Army Corps of Engineers (Corps). The projects are separated into four marketing systems and serve an eleven-state area, including Alabama, Florida, Georgia, Illinois, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Each system is integrated hydraulically, financially, and electrically, with separate cost-based power rate and repayment schedules. In FY 2022, Southeastern sold nearly seven and a half billion kilowatt-hours of energy to 472 wholesale customers with revenue totaling \$325 million. Federal hydropower benefits are reaching over twelve million residential and industrial consumers.

Southeastern coordinates the operation of these Federal carbon free generation assets from our dispatch centers in rural Elberton, Georgia. We use customer determined load schedules and the North American Electric Reliability Corporation's (NERC) power balancing control performance criteria, while complying with the Corps' water management and environmental requirements.

Southeastern does not own any transmission facilities but delivers contracted Federal power through transmission lines and substations owned and operated by neighboring utilities. Southeastern compensates these transmission service providers through long-term energy Purchasing Power and Wheeling commitments with the revenue received from electric power sales.

Rates charged to our wholesale customers recover all of Southeastern's costs and the Corps' costs allocated to power. Southeastern's rate schedules are designed to recover expenses, on an annual basis, for operations, maintenance, purchased power, transmission, and interest. Rates also recover infrastructure improvement investments which are capitalized over a reasonable number of years.

Southeastern's mission is achieved in a manner promoting the maintenance and upgrade of our region's Federal energy infrastructure. These efforts help to ensure reliable and efficient delivery of Federal carbon free hydroelectric power, which is an integral part of the Nation's security and electric energy supply.

Role of Federal Hydropower Program in Dynamic and Evolving Energy Markets

Southeastern is committed to the mission detailed in our governing law, the Flood Control Act of 1944, to employ sound business principles in delivering power to our customers at the lowest possible rates. Federal hydropower must remain a competitive and viable component of the customer's energy resource portfolios to support the region as the energy landscape in the Southeast evolves. Variables including the formation of the Southeast Energy Exchange Market, reduction of base load coal generation, delayed new nuclear reactor availability, increased natural gas prices and intermittent alternative renewable resources has made affordable, reliable Federal hydropower vitally essential to our customers. Southeastern's ability to consistently deliver energy, especially through Winter Storm Elliott in December 2022, has earned high praise and appreciation from our patrons.

Jim Woodruff Power Marketing Policy

Southeastern's transmission service provider at the Jim Woodruff project provided termination notice in 2022 on a 66-year-old interchange agreement in favor of modern Open Access Transmission Tariff service. The original 1957 contract was a bundled arrangement where deficient stream flow energy was purchased from, and excess Federal hydropower was sold to, the investor-owned utility. Southeastern is formulating a power marketing policy to address future generation capacity and energy delivery decisions associated with this single project, run-of-the-river electrical system. No changes in river operations or to the amount and timing of energy production levels are anticipated.

Renewable Energy Certificates

At the request of Southeastern's Virginia customers, an effort to provide Renewable Energy Certificates (REC) associated with Federal hydropower generation began in 2019. Southeastern markets two projects geographically within the boundaries of the PJM Interconnection Regional Transmission Organization. The Kerr-Philpott system power marketing policy was revised through a standard public process in 2020 to include the distribution of Federal hydropower RECs corresponding to individual customer's purchased energy. Southeastern has interfaced with PJM's Generator Attribute Tracking System to validate the creation and transfer 2.3 million REC to our North Carolina and Virginia customers since initial distribution in December 2020.

Southeastern's process of revising the power marketing policies of the three remaining electrical systems to include REC distribution is well underway and expected to finalize this year. Southeastern confirmed and verified generation of the Georgia-Alabama-South Carolina system's 10 plants has enabled the creation and transfer of an additional two million REC since February 2023. Distributions are planned for the remaining customers in Tennessee, Kentucky, Illinois, and Florida beginning in early Fall. The potential REC volume is six million per year and all of Southeastern's customers are extremely grateful to be accessing this additional economic intrinsic benefit of Federal hydropower.

Ongoing Federal Hydropower Infrastructure Investment

Section 216 of the Water Resources Development Act of 1996, as amended by section 212 of the Water Resources Development Act of 2000 (33 U.S.C. 2321a), enables hydropower customers to provide the Corps funding to improve generation infrastructure reliability and capability. Since 2004, at the direction of our customers, Southeastern has transferred \$819 million of energy and capacity sale receipts to accomplish hydropower equipment replacements and renewals.

Southeastern's Cumberland System customers have agreed to fund \$1.2 billion of planned rehabilitations of all 28 generation assets housed in the nine hydroelectric facilities operated by the Corps' Nashville District. The first three generators and turbines have been renewed and are operational at the Center Hill project. These new turbines have the capability to increase marketable output by alleviating seasonal operational restrictions due to downstream environmental concerns. The contracts to replace seven more generators and turbines at the Barkley and Old Hickory projects were awarded in September 2020 with onsite work underway and February 2023, respectively. Customers have also authorized \$24 million to install a dissolved oxygen injection system upstream of the Wolf Creek project to regain year-round full power output by providing downstream fish friendly habitat.

Upcoming Rate Developments

Southeastern formulates and proposes marketed power system rates through a public process and places rates into effect on an interim basis. The Federal Energy Regulatory Commission (FERC) confirms all of Southeastern's rates on a final basis for a five-year term. Annual adjustments, based on actual operational results and infrastructure investment placed into service, enable rates to respond accordingly within the term to assure proper repayment. Southeastern reviews all marketed system rates annually to ensure revenue is adequate to meet repayment obligations. Southeastern does not anticipate proposing any new rates until the Cumberland and Kerr-Philpott marketed electrical systems reach full term in 2025.

Critical Compliance Requirements

Southeastern appreciates the support of Congress allowing the conversion of our Power System Dispatchers to an Administratively Determined pay scale in 2020. Southeastern can now better attract and retain these essential positions while maintaining compliance with NERC and SERC reliability standards and ensuring available power is delivered to the grid for the benefit of Southeastern's customers and the Nation.

Importance of Southeastern's Relationship with Customers and Federal Partners

Southeastern maintains strong cooperative working relationships with our preference customers and the Corps. Future success of Federal hydropower program in the southeast relies heavily on the success of those relationships and our ability to find solutions to complex challenges threatening the program through higher costs and reduced generation capability. Financial and operational issues are discussed regularly among members of the Southeastern Federal Power Alliance and Team Cumberland.

The Alliance was established in 1991 and includes representatives from Southeastern, the Corps' South Atlantic Division and Southeastern's preference customers located in the Georgia-Alabama-South Carolina, Kerr-Philpott and Jim Woodruff Systems. Team Cumberland was formed in 1992 and includes representatives from Southeastern, the Corps' Great Lakes and Ohio River Division and Southeastern's Cumberland System preference customers, which are located both inside and outside the Tennessee Valley Authority's area of operation. Both groups meet on a biannual basis.

Over the past six and a half years, fellow Administrators and I have met with Corps Commanding Generals to discuss topics critical to the sustainability of our jointly managed Federal Hydroelectric Power Systems. Areas identified where changes can reap benefits include infrastructure acquisition strategies, cost accounting, water storage administration, operations and maintenance staffing efficiencies and common messaging communication plans. Further progress remains on the issues identified in order to improve and add value to the Federal hydropower program. Meaningful change must be achieved in several key areas if substantial planned reinvestment in these renewable infrastructure assets can continue in these times of competitive, dynamic, and evolving energy markets.

Southeastern's Fiscal Year 2024 Budget Request

Southeastern's FY 2024 operating budget request of approximately \$94.4 million results in a net appropriation of \$0 (Attachment 1). The FY 2024 budget request provides \$8.4 million for Program Direction expenses, which are completely offset by collections for these annual expenses and use of prior year balances, and \$86 million for Purchase Power and Wheeling costs, which are entirely financed with offsetting collections and net billing. Southeastern contracts with interconnected utilities for transmission service to deliver Federal power to customers at an estimated annual cost of \$45 million. In recent years, dependent on hydrology and energy market volatility, Southeastern has purchased between \$4 million and \$85 million in replacement energy and pumped storage energy to fulfil Federal power customer contracts. The use of offsetting collections and net billing enables Southeastern to operate more like a business by allowing Southeastern's revenues to pay for purchase power and transmission costs rather than relying on appropriations. There are no new program starts included in Southeastern's FY 2024 Budget Request.

Thank you again for the opportunity to submit this testimony.

Attachment 1

**Southeastern Power Administration
Overview
Appropriation Summary by Program
(dollars in thousands)**

	FY 2022 Enacted	FY 2023 Enacted	FY 2024 Request	FY 2024 Request vs FY 2023 Enacted (\$)	FY 2024 Request vs FY 2023 Enacted (%)
Southeastern Power Administration					
Purchase Power and Wheeling (PPW)	66,353	92,687	86,019	-6,668	-7%
Program Direction (PD)	7,284	8,273	8,449	176	2%
Subtotal, Southeastern Power Administration	73,637	100,960	94,468	-6,492	-6%
Offsetting Collections, PPW	-53,000	-78,696	-71,850	6,846	-9%
Alternative Financing, PPW	-13,353	-13,991	-14,169	-178	1%
Offsetting Collections, Annual Expenses, PD	-7,184	-8,173	-8,449	-276	3%
Alternative Financing, PD	-100	-100	0	100	-100%
Total, Southeastern Power Administration	0	0	0	0	0%
Federal FTEs	44	44	44	0	0%

QUESTIONS SUBMITTED FOR THE RECORD TO ADMINISTRATOR VIRGIL HOBBS,
SOUTHEASTERN POWER ADMINISTRATION

Questions Submitted by Representative Carl

Question 1. Mr. Hobbs, as the Administrator who has a statutory duty to set rates at the lowest possible level consistent with sound business principles, do you see a threat to the affordability of the power SEPA markets if power customers are asked to pay for the costs of government programs which are not directly related to hydropower production?

Answer. Through the Federal Hydropower Council, established in 2016, SEPA and the other Power Marketing Administrations (PMA) have been working with the U.S. Army Corps of Engineers (Corps) to improve Joint Activity accounting practices and ensure the costs allocated to hydropower are appropriate and in accord with the applicable law. The PMAs are responsible for the recovery of Federal power program costs through rates charged to customers, including all hydropower specific costs and a portion of joint project costs allocated to the hydropower authorized purpose. The PMAs and the Corps continue collaborative efforts to ensure consistent implementation of these requirements.

Question 2. The recent GAO report found fault with SEPA for not fully assessing operational risks associated with climate change. Has the Southeast experienced the same degree of wildlife and drought conditions that we have seen in the West?

Answer. SEPA has now completed the climate change vulnerability assessment referenced in the recent GAO report with no major operational risk exposure identified for the SEPA owned physical assets. The Southeast has experienced cyclical periodic drought which impacts hydropower generation but not to the extent of the current Western drought. In addition, our region faces increased risk of other hazards associated with climate change that can threaten infrastructure, including severe storms and flooding. For example, our region's drought of record occurred between 2006 and 2009 when the Savannah River's Lake Hartwell elevation fell nearly 23 feet below normal summer pool. Over this multiyear drought period, SEPA purchased \$80.4 million of on-peak replacement energy to meet our contractual commitments to customers and \$99.6 million of off-peak pumping energy to operate the Corps pump storage facilities. This investment enabled the Corps to generate hydropower at other times, when the power was more valuable, which resulted in a net replacement energy savings of \$191.4 million for our municipal and cooperative customers in the Georgia-Alabama-South Carolina System.

Question 3. We have heard that supply chain issues have been a problem for utilities across the country. However, there is a Federal project in the Southeast that has capacity offline since 2013. Clearly this is not a supply chain issue. What needs to happen to make sure projects are fully operational?

Answer. In these times of competitive and evolving energy markets, ensuring hydropower generation is operational and available when required is vitally important to grid reliability, PMA customers and millions of served end-use consumers. A series of unfortunate events has extended the unplanned outage of an 84-megawatt generator in the Southeast to nearly 10 years. The repair contractor is on site and the Corps plans to return this problematic generator to service next calendar year. The plant's four other generators combine for 342 megawatts to address local water discharge requirements and SEPA's Power System Dispatchers have minimized the loss to power customers with energy and operating reserves from nine other Georgia-Alabama-South Carolina System projects.

The Federal Hydropower Council's greatest successes to date in dealing with topics critical to the sustainability of our jointly managed Federal Power Program is improving acquisition tactics such as efficiently completing complex design work, procurement actions and project oversight. A permanent Hydropower Acquisition Strategy Board (HASB) with active PMA representation has been established to address all phases of hydropower project delivery, from outage through return to service. The HASB established a hydropower specific acquisition training class, shares Federal Acquisition Regulation best contracting practices, and works to address other challenges such as supply chain constraints and limited specialized contractor availability.

Mr. BENTZ. Thank you, Mr. Hobbs. And I want to thank all the witnesses for their testimony. We will now recognize Members for 5 minutes for questions. We will begin with Mr. LaMalfa.

Mr. LaMalfa, you are recognized for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman. Thank you to our panelists for being with us here today. I appreciate the opportunity.

Commissioner Touton, you had mentioned in your comments three lumps of dollars I think for storage refurbishment. It adds up to about \$1.5 billion. Is that going to be carried out timely, so that we don't lose opportunities for storage or lose the facilities themselves?

Ms. TOUTON. Good morning, Congressman. Thank you for that question.

We are absolutely motivated to be able to put that money into action and on the ground. We have invested \$515 million in storage projects in California alone, and it is our intention to move those as expeditiously as possible.

Mr. LAMALFA. OK, thank you. I want to shift gears to also the upper Klamath Lake. You knew that was coming.

Ms. TOUTON. I did.

Mr. LAMALFA. In April this year, it was announced that they would be allocating about 215,000 acre-feet of water for use of farms and ranches there, which we are grateful for, it is better than what has been going on recently, as well as helping out with the refuges. However, in the big picture here of the amazing water availability of the snowpack we have had this year, and the rain all around the state, it was indeed a disappointment because it is half of their historical need and use.

I saw a recent update, I think, Friday that an extra either 45,000 or 50,000—I am hearing different numbers, but it was going to

bring it up to either 260 or 265. Do you know which figure that is?

Ms. TOUTON. Two sixty-five, Congressman.

Mr. LAMALFA. OK, 265. Thank you for the update on that.

I am still wondering, though, I think you could have justified an even higher number with the positive condition the lake is this year. So, why couldn't it have been even a higher number, such as 285 that growers are looking at up there to have a more normal crop year?

Ms. TOUTON. I can't think of any basin better represented on this Subcommittee than the Klamath Basin, and fully recognize that the challenges are real there.

One of the things we are watching is how the snow melts. While it is there as snow, in past years we have seen this snow not materialize into run-off. So, when we were looking at our allocations, we wanted to be sure that that 265 would hold while meeting all the other requirements that we need to meet for the system.

Mr. LAMALFA. Do you anticipate a further augmentation, should it be more positive farther into the crop year, such as last year? We made the appeal that there was extra water above the interim operating plant end-of-season number, and we couldn't get any movement on the end-of-year. Extra irrigation would have helped a lot of growers up there when they had potatoes the size of your finger out there. We were looking for about 30,000 acre-feet.

Do you see that there could be an additional upgrade, say in June or what have you?

Ms. TOUTON. We will adaptively manage the system, and I am happy to follow up with you and keep you posted as we see the hydrology progress.

Mr. LAMALFA. So, can farmers and ranchers figure out how to plan for that in their crop year?

Ms. TOUTON. Which is why we wanted to be able to get the numbers out, just not in the allocations, but also for the environmental water account to make sure that we are providing certainty as they are making business decisions, and the ecosystem is also protected.

Mr. LAMALFA. OK. Quickly, on the lake elevation, 4139.2 seems to be a target number right now. I wonder what the significance of that number is, because it has moved around from biological opinion to internal operating plan. Is the suckerfish going to be in jeopardy at a number of different than 4139.2, like 0.19 or 39.0, 4138, when even the irrigators' water right is all the way down to 4136? I mean, what is the significance of that particular number?

Ms. TOUTON. As we are looking at managing the system, we are looking at the requirements, as you mentioned, Congressman, of the species. But as we looked to manage the system earlier this year, a commitment was to keep the lake as high as possible, not only for the species, but to ensure that we are going into the next water year.

Mr. LAMALFA. OK, all right, because we know that the sucker actually thrives in lower water better than other types of fish.

[Chart.]

Mr. LAMALFA. Let me point out real quick—I have on this chart here—in order for the long-term flows of the river to be strategized,

they were using figures from the Hardy Flow Study using the highest possible numbers from 1904 to 1912 down here, from one of the wettest periods in the 123-year history, when you do have a lot of other low-flow years. So, the target ends up being based on the super high flow numbers from 100 years ago, as opposed to something a little more of the average. So, they can hardly meet the goals because the bar is set so high.

Is this something that can be revisited here? Because indeed, a lot of us believe that this is an artificially high target to be met from something that happened—you look at the whole chart here, you got these heavy zones here. None of them have been that heavy in the 100 years since.

Ms. TOUTON. We are committed, and I have been out to the Klamath Basin three times since I have been in this position, will be there this summer, talking about what a holistic solution is for the Basin. As it has been mentioned before, it is not sustainable, and we want to be able to provide certainty to the water users, but also protect the ecosystem.

Mr. LAMALFA. OK. Well, we have impossible numbers for the water users to meet out of their allocation, and I need to yield back.

Thank you, Mr. Chairman.

Mr. BENTZ. Thank you, Mr. LaMalfa.

Mrs. Napolitano, you are recognized for 5 minutes.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

It is good to see you, Ms. LeBeau.

And Ms. Touton, I am so happy to see you. Ms. Touton, the Bipartisan Infrastructure Law included a new program for a bill that I authored to advance large-scale mega water recycling projects. Can you share upon what progress has been made so far to stand up this new program, and when we can expect funds to roll out?

And when do you expect the comment period to start on the draft criteria?

Ms. TOUTON. Thank you for that question, Congresswoman. I was so glad to be able to be with you in Orange County last year to announce the \$309 million of water recycling under title 16, 25 projects, 850,000 people's water supplies.

While we are looking at large-scale water recycling, this one project could meet those needs, just with one, as far as scale. So, we are anticipating to release a request for proposal for construction of large-scale recycling later this summer. So, stay tuned for that, and I look forward to working with you on that.

Mrs. NAPOLITANO. Great. Other areas are starting to look at the feasibility of starting those projects because it is going to be needed with the drought cycles we are having.

Also, can you tell the Committee how funding support for long-term solutions are desperately needed to address persistent water supply, and how can our investments from the law and Inflation Reduction Act support and address the long-term solutions?

Ms. TOUTON. We have short-term investments in water grants, WaterSMART funding for efficiencies. We have also been able to utilize, as we mentioned, \$309 million for water recycling, 850,000 people, \$515 million in storage in California, and being able to

repair our infrastructure, \$100 million for B.F. Sisk for earthquake safety.

It also is south of delta storage in the Central Valley Project. I know I talked specifically about California, but that is across every single Western state.

Mrs. NAPOLITANO. Well, you have the 17 Western states to worry about. What are the other states doing to address climate change and the water shortage?

Ms. TOUTON. The challenges in California are not unique to California. They are seen in every single basin. So, we are utilizing the funding for an all-of-above approach. If water recycling makes sense, that is what we are spending money on. If efficiencies make sense, that is what we are doing. We are leading with our partners, and making sure it makes sense on the ground.

Mrs. NAPOLITANO. I appreciate all your support, and thank you for doing the job you are doing in Bureau of Reclamation.

I yield back.

Mr. BENTZ. Thank you. I now recognize Chairman Westerman for 5 minutes.

Mr. WESTERMAN. Thank you, Chairman Bentz, and thank you to the witnesses.

I am a big fan of hydropower, and appreciate what you all do. Would you all agree that hydropower is as clean a power as we can produce, probably the cleanest power when you look at all the inputs and everything that are required for various forms of power?

I was doing a little bit of back-of-the-napkin math, and it looks like we have about 102,000 megawatts of total hydropower, 80,000 megawatts capacity on conventional hydropower, and another 22,000 megawatts of pumped storage. But if you just take the 80,000 megawatts, and you look at 100 percent utilization of that, 24 hours a day, 365 days a year, which I realize is not reasonable, you get a total capacity of about 780 terawatt hours of capacity across the country. Is my math in the ballpark on that?

Mr. HOBBS. I trust you.

Mr. WESTERMAN. And then I looked back to see what the usage was on hydropower in our country. And we peaked out in 2011 at about 319 terawatt hours. That is about 45 percent utilization of the peak capacity. In 2022, we were only at 262 terawatt hours, which is down around 37 percent utilization of that peak capacity. So, when we are in a world where we are wanting more carbon-free electricity on the grid, it seems to me that we would be trying to get every ounce of energy out of these hydro dams that we could.

I have also been doing a lot of field trips in my district. I went to a dam that I visited when I was in elementary school. It only has two turbines in it. It is there close to where I live in Hot Springs, Arkansas, and only one turbine was running. So, I asked the dam operator, "Are you doing maintenance on the other turbine?"

They said, "No, we just have it shut down."

I said, "Well, why is it shut down? I thought dams were built for baseload power."

They said, "Well, the Power Administration hasn't called for power from it."

I said, "Oh, that is interesting. Why? So, you are using this dam as peaking power?"

They said, "Yes, basically that is what we are doing." I thought maybe that was just a one-off, and then I have traveled other places in the country.

I was up on the Snake River at I think it is the Ice Harbor Dam, the last dam on the river. They had six turbines, and only one was running. And I asked the Corps of Engineers operators, "Why aren't the other five turbines running?" Well, the Power Administration hasn't called for the power. I said, "So, you are using this dam as peaking power," and all this water was flowing past the dam that could have been turning every generator.

And we did a little back-of-the-napkin calculator there. And had all that water been used that was passing through the dam to generate electricity, that system would have been producing more power than all the windmills and solar farms in Washington State combined.

So, my question is, are we using hydro dams as peaking power across the country now instead of baseload power, for the most part?

Mr. HOBBS. I will just say for the Southeast, and I know probably for the Southwest, too, unfortunately, we don't have the water quantity to be able to baseload our generation. So, they are considered peak load assets, and we rely on other baseload entities to take up that. And we do basically work the peak, and we do have two pump storage generation projects in our Southeastern footprint, as well, so we utilize that as much as we possibly can.

Mr. WESTERMAN. So, the engineer in me was asking the question why would we be peaking with dams? And then I realized, we don't have battery storage for wind and solar. So, is it true that you have to create space on the grid, basically, where every electron that comes off a solar farm or a windmill has to go on the grid?

Mr. WECH. Yes, sir, I can speak to that. And I am familiar with Blakely Mountain, the project that you toured in your district, which is in Southwestern's service territory.

So, yes, what we are doing is these peaking projects, part of the 102 customers that Southwestern has, we are just one part of their resource portfolio. So, those particular customers may have a combination of wind, solar, fossil-fueled plants, as well as the hydro. But the hydro is basically used as a super peaking resource across the highest peaks of the day. However, it is also used occasionally to back up some intermittent resources that fail to come on-line, such as some of the renewables that we have challenges with if there is a weather situation or something like that.

Mr. WESTERMAN. But with the demand for green energy, wouldn't it make more sense to utilize these hydro resources to get every ounce of energy out that we could?

And I know there is a balancing equation that you have to do. You can't always take all the energy being produced, but it seems like we are almost offsetting hydro green power with wind and solar green power when we could be utilizing those together and getting more carbon-free electrons on the grid.

Mr. HAIRSTON. Sir, well, to address that, when you look at the Bonneville system, we have 31 hydro projects on the Columbia and

Snake River. As you blend in more renewables utilizing that system, if it is wind and solar like you say, when the wind isn't blowing, you don't have as much power; if the sun isn't out, you don't have as much solar, so you have to utilize something that is instantaneous to be able to fill in those peaks and valleys. And hydropower is really a valuable asset for doing that.

Moreover, as you look at bringing in more renewables, you are really replacing or retiring coal and coal plants or carbon-based plants. So, when you bring on those renewables to replace those plants, you still have to utilize the peaking capability of the hydro system to blend those resources in. So, while it may sound like you can replace those carbons with the hydro capacity, you still need to have that capacity for emergency purposes, as well as blending in those renewables.

Mr. WESTERMAN. Thank you, Mr. Chairman. I just wanted to make the point that we do sacrifice some hydropower for renewables. I yield back.

Mr. BENTZ. Thank you. The Chair recognizes Ranking Member Huffman for 5 minutes.

Mr. HUFFMAN. Thank you, Mr. Chairman.

Commissioner Touton, first of all, congratulations on your Colorado River agreement that we have been hearing about. Fingers crossed that that comes together and gets us through a couple of difficult years ahead. But that was certainly great news in the last couple of days.

Ms. TOUTON. Thank you.

Mr. HUFFMAN. As you know, the context for this budget conversation we are having today is that at the other end of Pennsylvania Avenue our Republican colleagues are proposing a freeze on discretionary spending at Fiscal Year 2022 levels for some period of time, we are hearing 10 years. Can you tell the Committee what the harmful impacts would be for the public if Reclamation had to absorb budget cuts as big as what is being proposed?

Ms. TOUTON. Good morning, Ranking Member, and thank you for the recognition.

We develop our budget to be able to meet our mission of delivering water and producing hydropower. And within our discretionary budget, that is our operations and maintenance and our annual budget and incremental progress for the long term. When you couple that with the Bipartisan Infrastructure Law and Inflation Reduction Act, that gives us the long-term planning and funding for that.

When you look at cuts that are unaccounted for through our Fiscal Year 2024 budget, it has an impact on how we meet our mission. And meeting our mission means the ability to deliver water to one in five farmers, 40 million people in the Colorado River Basin, and produce power. So, it has real impacts as far as cuts to our budget.

Mr. HUFFMAN. All right, thank you.

Administrator Hairston, I was made aware of a recent white paper from the renewable group called Renewable Northwest and others that discusses how the Bonneville Power Administration can

play a much more significant role to support the construction of regional transmission lines.

The paper recommends a number of reforms that can be carried out under your existing legal authority to support greater transmission deployment, and it further states that we won't have the transmission capacity we need unless Bonneville makes some of these changes, including the fact that it relies too much on discrete customers right now to shoulder the financial cost of expanding the grid, among other problems.

Are you familiar with the white paper, and could you speak to how Bonneville plans to meet the challenge of increasing transmission?

Mr. HAIRSTON. Thank you for the question, Congressman. I am relatively familiar with the white paper, but more importantly, what we are doing to expand transmission in the Northwest I spoke to in my comments.

We have a number of projects that are under way that are leveraging or utilizing the funds that we received through the IIJA. We received \$10 billion in borrowing authority, and right now we have close to about \$2 billion worth of projects in the works. A couple of them are the North and South Cascades projects that are going to move renewable wind from the east to the population centers on the west. We also have reinforcement projects in the Tri-Cities area that is going to allow for a lot more capacity, close to 1,600 megawatts of capacity in that area. That is going to allow the flow of renewable power.

So, we are actively building new transmission utilizing the new borrowing authority that we have, and we are also exploring other larger-scale projects that will hopefully allow a lot more diversity in the system that will give us access to renewables outside of the region to improve our ability to help our customers meet their decarbonization requirements.

Mr. HUFFMAN. I appreciate that.

Administrator LeBeau, can you speak to the same question from WAPA's perspective? What are you doing to support greater transmission deployment and accelerated transmission deployment?

Ms. LEBEAU. Thank you, and thank you for the question. It is my favorite topic.

I really want to build transmission, expand our footprint not for the sake of it, but there are some opportunities that we are pursuing together—like I mentioned during my comments—partnering with some of our customers and some of the utilities in which we do business with.

But there are also opportunities that we are looking throughout our footprint, our 17,000 miles on if there are some strategic opportunities to either expand what we already have, where it fits a customer priority, or from a reliability perspective. So, we are really looking at relieving some congestion. That is one of our priorities.

The other is really looking through our system to see if there are opportunities for increased resiliency in our system. We are often challenged by extreme wildfires, extreme weather events. So, we have a better sense of kind of where throughout our footprint we are seeing increased amounts of threats to our physical system. So, those are also opportunities we are actively exploring, as well.

Mr. HUFFMAN. OK, thanks very much.

I yield the balance of my time, which is none.

Mr. BENTZ. Thank you. The Chair recognizes Mrs. Luna for 5 minutes.

Mrs. LUNA. Chairman, I would like to yield my 5 minutes to Representative LaMalfa.

Mr. LAMALFA. Thank you, Mrs. Luna, I appreciate that.

Just following back up, Commissioner Touton, I just want to revisit this, as we ran out of time at the end.

[Chart.]

Mr. LAMALFA. But here again, we are looking at the highest flows were between a short period of time right here, really between 2004 and 2012, and we are really baselining a whole lot of decisions these days on a study that is based on an artificially high flow rate. So, I think we really need to revisit that in order to have fairness on what the flow should be for the rest of the system. I will leave it at that for right now.

What I would like to know also, and I am going to ask this also of Fish and Wildlife when they get here in a little bit, but how do you balance the needs between what Fish and Wildlife wants versus NOAA or NMFS, for example, on the suckerfish issue in the lake and the salmon downstream?

They are both trying to occupy the same space, it seems—keep the lake high, or release a mass amount of water down the river to satisfy the ideals for the salmon.

Ms. TOUTON. A lot of our ability to manage the system is to be able to work and coordinate with the Fish and Wildlife Service and the National Marine Fisheries Service. When we looked at this year, we worked really hard, and it was before the atmospheric rivers that we saw in January, and it was not looking good or positive for the lake. So, we were able to adaptively manage the system to be able to meet our requirements for that species.

At the same time, when we saw more positive hydrology, we were able to update the environmental water account, as well as the allocation. And I mis-spoke, Congressman, it is 260,000 earlier, so it is a 45,000 acre-foot increase.

Mr. LAMALFA. OK, it is 45? Thank you. All right.

Ms. TOUTON. But it really does involve not just us talking with NMFS and Fish, but also talking with the water users and the tribal entities. And I think we are committed to be able to operate—everyone is tired of year-to-year. What everyone wants to do is a longer-term solution. This year provides us that ability to have a discussion about what is a longer-term solution for the Basin.

Mr. LAMALFA. OK. Well, the model that Reclamation is using doesn't seem to allow for the storage due to the other demands. And it is really negatively affecting the refuges, as well as, obviously, agriculture.

This year we have had such tremendous amount of rainfall and such that it is made possible what hasn't happened in the last couple of years on agriculture. So, agriculture is caught in a bind between these other factors. And indeed, we have to remember the Klamath Project was created for agriculture, and it made available

water that would not normally exist or have been available in any other way if that man-made project hadn't been done.

Let me shift to an issue on funding. There is money the Federal Government is holding from the leased lands revenue for Tule Lake that is supposed to be utilized for infrastructure repair. Do you know how much money is currently in that fund that hasn't been utilized yet?

Ms. TOUTON. I don't have those numbers in front of me, but I can follow up with you on the leased lands number.

Mr. LAMALFA. OK. I have an older number from 2020 that says it is about \$80 million that is still tied up that could be helping with that infrastructure, as they have suffered a lot with dry ditches and such with the water not flowing normally, so repairs have to be done.

Ms. TOUTON. OK.

Mr. LAMALFA. My understanding, the Keno Dam is under ownership of PacifiCorp still, and that there is a large backlog of maintenance work to be done up there, which is a very important piece of this whole puzzle there. So, wouldn't it be proper for PacifiCorp to pay for those improvements before that might change ownership hands?

Ms. TOUTON. The management of Keno Dam, as you mentioned, is under PacifiCorp. When it does transfer, we will manage it in the short term as they are managing it. But part of those agreements include the ability to be able to transfer that facility.

Mr. LAMALFA. Are they going to pay for the repairs first, though, before it would transfer?

Ms. TOUTON. I have to follow up on that.

Mr. LAMALFA. OK. Do you believe hydroelectric power—following up with Mr. Westerman—is it important to our energy future in this area?

Ms. TOUTON. Is that to me, Congressman?

Mr. LAMALFA. Yes, ma'am.

Ms. TOUTON. Yes.

Mr. LAMALFA. OK. We need it. OK. Thank you.

I yield back, Mr. Chairman.

Mr. BENTZ. Thank you. The Chair recognizes Mr. Levin for 5 minutes.

Mr. LEVIN. Thank you, Chairman Bentz. Thank you to our witnesses for being here today.

I want to echo Ranking Member Huffman's congratulations on the Colorado River negotiations. I heard frequent prognostications that we would never be able to pull a deal together, and I am really proud of how the Department of the Interior and all of the state commissioners, along with our tribal partners, worked diligently toward this outcome. It is a consensus-based approach, and I think that is really important. It was developed chiefly by the three lower basin states: California, Arizona, and Nevada. And it is not an agreement that is going to be all that long-lived—through the end of 2026—but it is a great start.

And I just want to point out that, of the conservation savings, 2.3 million acre-feet will be compensated through about \$1.2 billion in Federal funds that we secured through the Inflation Reduction Act, and then there will be remaining system conservation through

voluntary reductions. It really builds on other foundational investments in water conservation like in San Diego County, where the 2003 QSA with the Imperial Irrigation District worked with these efforts to support the short term and improve system efficiency over the long term. We are going to need more action, but this was definitely a great achievement.

Commissioner Touton, can you discuss the importance of the consensus-based approach, and also specifically how funding from the Inflation Reduction Act and the Bipartisan Infrastructure Law impacted this outcome?

Ms. TOUTON. Thank you. The Basin has had the long-standing history that the solutions should be grounded from the Basin. And the framework that was provided by the lower basin, which we have been asked to analyze, is exactly that. It is 3 million acre-feet over the next 3 years in voluntary conservation measures. And as you mentioned, Congressman, that is a short term, that is a bridge. What it allows us to do is provide certainty for the system in that short term so we have the space to be able to talk about longer-term solutions post-2026, which we will look to start later this summer.

Regarding investments, which you mentioned, later next month we will be announcing what we are calling bucket two, which are the long-term sustainability programs under the Inflation Reduction Act for the Colorado River Basin. That looks at lining of canals, of perhaps re-reg systems to be able to manage water more efficiently in this dry climate. And within the Bipartisan Infrastructure Law, we have spent a significant amount of that money, \$1.73 billion, in the Colorado River Basin of the \$2.52 billion in Bipartisan Infrastructure Law allocations. That is in water recycling, that is in aquifer storage, that is in small storage, that is in aging infrastructure. We are really proud of that, and we are able to make significant investments that we would have never been able to do.

Mr. LEVIN. Well, I appreciate that very much. It is an important accomplishment in Western water and water security, and I hope that that consensus-based approach, in particular, will help you moving forward.

With my remaining time, I want to briefly discuss desalination. Regional ocean water desal projects like the Doheny Desalination Project in my district in Dana Point, California, are of particular importance to coastal communities' ability to address drought. As I think you know, the Bipartisan Infrastructure Law included historic funding for Reclamation, including \$250 million for desal projects similar to the provisions in my Desalination Development Act.

This February, I led a letter with Senators Feinstein and Padilla urging Reclamation to further incentivize regional desalination projects by lifting the \$30 million per project administrative cap and allowing projects to receive Federal funding up to the full statutory Federal cost share of 25 percent of the total project cost. The administrative project funding cap disincentivizes regional cooperation projects that cost more than \$120 million by providing a lower Federal cost share than the statutory 25 percent rate.

My question: is Reclamation considering raising or waiving the \$30 million per project cap?

Ms. TOUTON. Thank you for your support of our desal projects and our program. That is something we are actively discussing now. It was something that we looked at on title 16 water recycling, as well. I look forward to following up with you, but responding to your letter.

Mr. LEVIN. All right. I look forward to reading your response, and I thank you all for your work, and I will yield back.

Mr. BENTZ. Thank you. The Chair recognizes Mrs. Radewagen for 5 minutes.

Mrs. RADEWAGEN. Thank you, Chairman Bentz and Ranking Member Huffman, and to all of the witnesses, for being here today.

At this time, I would like to yield to my colleague, Mr. LaMalfa.

Mr. LAMALFA. Thank you, Mrs. Radewagen, I appreciate it.

Commissioner Touton, the question I have, again, on the Klamath Reclamation project, we have been asking numerous times over the years on the BOR, and various administrations, how much is left for repayment of the debt from the people in the project to the government in order to assume the ownership of that project?

Ms. TOUTON. This is one of the first projects we have. I actually don't know the number of what is left of the repayment contract, so let me get that back for you. I don't imagine it could be a lot, given when it was constructed in 1908.

Mr. LAMALFA. Yes, thank you. We really have been looking for that answer for some time here.

Ms. TOUTON. OK.

Mr. LAMALFA. I know you have a newer run at it here.

What we have here is that KID, Klamath Irrigation District, they were, at one time, zero balance, paid out, paid-in-full status on, it says here on May 4, 1965. And it was also confirmed in numerous correspondences between 1965 and 1985 as having been, again, paid in full.

The understanding of the original 1954 contract at that time is that the title would transfer to the district immediately upon completion of repayment. In 2002, the district requested title, and the government told the KID directors of the Klamath Irrigation District it would take still \$2 to \$5 million more—at that point in 2002—so no further action appears to have occurred.

Then their executive director, Mr. Gene Souza, submitted for title transfer in June 2021, and Reclamation did not act for 6 months at that point. Director Souza resubmitted it in December 2021. As of February of this year, Mr. Ernie Conant, the Regional Director, had not seen, been briefed, or had any knowledge of KID's request for title.

So, KID has been told it was going to be briefed with you since September of last year, and no action appears to be moving on that. So, I guess, from your previous question, have you been briefed at all about that?

Ms. TOUTON. I haven't been briefed in the sense of where the progress is on the title transfer, but I have heard the interest by KID for a title transfer.

Mr. LAMALFA. OK, all right. When do you think we can resolve this issue? They have been asking, again, for a long time—you could say going as far back as 20 years—and I think they have been faithfully keeping all their payments since then, when there seemed to be a new balance, even though the number from 1965 to 1985 was zero balance.

Ms. TOUTON. Title transfer is one of those programs that we are really proud of. Once we were given the authority under the Dingell Act, we have done four or five of them already during my tenure. It is something we take seriously.

I have a lot of homework for you, so perhaps I can follow up on title transfer and the other questions next week.

Mr. LAMALFA. OK. Well, I appreciate that. At least we are having this conversation about it here, because in the past it seems like it wasn't getting through the process. So, our direct conversation is indeed valuable on that.

Ms. TOUTON. Sure, thank you.

Mr. LAMALFA. Certainly. Now, there is this pending project to remove the lower Klamath Dams. If this should come to fruition, if this idea is seen through, we are going to see decades worth of sediment released that is behind those dams. One figure has 20 million cubic yards. What I have observed in other dam removal projects is that the number is oftentimes very under-represented; we have seen one case where it was actually triple what was estimated, so who knows how much sediment? And we know sediment is the enemy of fish spawning, and the egg beds, and all that.

So, what we might see here is that NOAA could determine that they need additional water to do these super-flushes like they are doing right now in the Trinity River under their restoration program, super-flushes. Is that water going to have to come even farther from the farmers' allocation, if they deem that, oops, we messed up on the number of cubic yards, and we are going to have to flush the sediment?

Ms. TOUTON. That is a conversation that we will have with NOAA and the water users to see how we manage the system as it changes.

Mr. LAMALFA. We are going to walk into this dam removal with a complete unknown on what is going to be required for the flows. That is what I am hearing, so not directed at you per se, Commissioner.

I yield back. Thank you, Mr. Chairman.

Mr. BENTZ. Thank you. The Chair recognizes Mr. Magaziner for 5 minutes.

Mr. MAGAZINER. Thank you all.

When I am back home in Rhode Island, one of the top issues that I hear about from my constituents is the price of food, which is too high for working people. So, some may wonder why am I, as a representative of Rhode Island, so interested in Western water policy. It is because of that. It is because there is a direct link between the ability of my constituents to put food on their table and pay their bills with what is happening out West. And that is why it is important that we invest in the technology and the infrastructure to ensure that farmers and agricultural producers out West are

able to affordably produce food for markets across the United States.

I say this in the context of this week when, unfortunately, our colleagues on the other side of the aisle have manufactured an artificial default crisis in order to try to force devastating cuts to Federal agencies in order to pay for tax cuts that they lavished on billionaires and big corporations when they were in power a few years ago. And the implications of these cuts that they are trying to force on the American people impact constituents like mine and their ability to put food on the table.

So, as I understand, and the Ranking Member alluded to this, the demand that is being put forward in exchange for not allowing the economy to implode is a return to fiscal 2022 funding levels in non-discretionary spending, which would be, essentially, a 20 percent-plus cut to discretionary spending, including, Commissioner, to your agency.

So, can we just hear a little bit more about what would the implications be if our colleagues across the aisle are successful in slashing funding for your agency in order to pay for tax cuts that were lavished upon billionaires and corporations?

What would be the impact on your agency?

What would be the impact on the farmers that you serve?

What would be the impact on the small businesses who you serve?

And what would be the impact on families like those who I represent back home?

Ms. TOUTON. Thank you for the question. Our budget is formulated in meeting our mission of delivering water and power across the West, which, as you mentioned, we are incredibly proud of our role in helping to feed the nation and the world. Any additional cuts to our budget will have impacts on our ability to meet our mission, which means to be able to deliver water and power not just to cities and rural communities, but also to one in five farmers in the West.

Mr. MAGAZINER. So, if I am one of those farmers in the West, one of the one in five farmers, and your budget is slashed the way that our colleagues across the aisle are insisting on doing in exchange for not blowing up the economy, what would be the implication for me as a farmer, as one of those farms that you serve in the coming years if your agency was gutted to the tune of 20 or 30 percent?

Ms. TOUTON. We pride ourselves in our mission to help to provide certainty, especially in light of the changing hydrology. Any cuts to our budget could impact our work, which would provide uncertainty to them. They are already on the margins as far as how they run their projects. So, it would just add to that level of uncertainty.

Mr. MAGAZINER. And would there be any impact on prices for consumers?

Ms. TOUTON. That is not in my wheelhouse, but if there is less supply, then certainly an impact on demand.

Mr. MAGAZINER. Less water means less food, means higher prices, means more kids going hungry in my district and in districts across the country.

So, listen, we need to invest in modernizing and maintaining water infrastructure across the entire United States, particularly in agricultural regions. It is important for consumers in my district in Rhode Island and all across the country.

And I would suggest once again to my colleagues here in Congress that, if we need to find the funding in order to do that, the way to do it is by asking billionaires and corporations to pay their fair share, not by trying to balance the budget on the backs of consumers who are already paying too much to put food on the table.

With that, I yield back.

Mr. BENTZ. Thank you.

Mrs. Boebert, you are recognized for 5 minutes.

Mrs. BOEBERT. Thank you, Mr. Chairman.

Commissioner Touton, yesterday Interior announced that it was temporarily withdrawing the draft SEIS on the Colorado River Basin's operations, which was published last month, so it can fully analyze the effects of the lower Basin states' proposal under NEPA. Is there an update on the timeline for analyzing this new proposal?

Ms. TOUTON. Thank you for the question, Congresswoman. We will be suspending the comment period for the existing one. We will look to this summer to analyze the proposal, and then put that out for another comment period so that your constituents, tribal constituents in the states, can see the effectiveness of the proposal, and then move to finalizing that later this year.

Mrs. BOEBERT. OK, great. Thank you.

And the three lower Basin states' commitments to conserve 3 million acre feet of water by 2026 is certainly encouraging, but we definitely need more analysis to ensure that this plan adequately protects Colorado. And the focus must remain on addressing the lower Basin's continued overuse of the Colorado River water.

Do you have current figures with you, or can you get them to me, on how many total acre-feet of water has been overused by the lower Basin states?

And can you elaborate on the challenge that this is?

Ms. TOUTON. We can follow up with figures for you, Congresswoman. I think across the Basin there is an imbalance between supply and demand. So, we are working through that with our partners.

The lower Basin took a significant step forward in their consensus proposal, and that is exactly what the whole Basin asked us to do, was analyze its effectiveness, which we will do.

Mrs. BOEBERT. OK. Well, in Colorado we certainly have the supply. It just seems the demand is higher, especially when we are over-allocating. So, yes, I would love to follow up with you on those figures.

Ms. TOUTON. I am happy to—

Mrs. BOEBERT. And something that is very important to me, Commissioner Touton, the Arkansas Valley conduit that will provide just an abundant supply of clean water for 50,000 people in southeastern Colorado, now this is a very important project, which was authorized more than 60 years ago, as you know. I know this project is also a priority for Reclamation, but will you commit today to continuing to work with local stakeholders and work with me,

please, to get the Arkansas Valley conduit done as soon as possible?

Ms. TOUTON. I was so happy to be out in southeastern Colorado to celebrate the groundbreaking of the Boone Reach, and I am absolutely committed to you, Congresswoman, to—

Mrs. BOEBERT. Thank you, I appreciate that, and I would have loved to have joined you. Unfortunately, that was a House session day, so I was here in Washington, DC, but there was certainly some joy to be had during that day.

Ms. TOUTON. Absolutely.

Mrs. BOEBERT. Commissioner Touton, the Upper Colorado and San Juan Basins' endangered fish recovery programs provide ESA compliance for more than 2,500 water projects in Colorado, Utah, New Mexico, and Wyoming. Overall, these programs have been successful and are a priority for many of the stakeholders. Do you support the reauthorization of these programs?

Ms. TOUTON. We have seen the success of these programs, so that is absolutely a program we support.

Mrs. BOEBERT. And this spring you issued an environmental assessment for an experiment to address non-native smallmouth bass. The proposed action would have had significant negative impacts to the hydropower resource and the power grid. What was the estimated cost of the proposed action?

And would there have been sufficient generation in the West to replace the generation that was proposed to be bypassed all summer?

Ms. TOUTON. We recognize that we needed to do additional analysis of its impact, including market analysis. That is why we pulled back the environmental assessment. We are doing a full EIS process, and we are working with all the partners, the power users, and certainly our colleagues with Western.

Mrs. BOEBERT. Do you have a timeline on that?

Ms. TOUTON. We are looking at that over the next year. But let me follow up with a specific timeline.

Mrs. BOEBERT. Yes, thank you, Commissioner. And in the few seconds that I have left, in your written testimony you have a bullet point about renewable energy, but you go on to almost exclusively talk about hydropower. Yet, not all hydropower is officially recognized as renewable energy by the Federal Government. Do you support continuing to expand hydropower and officially recognizing it as a renewable energy source?

Ms. TOUTON. We are the second largest producer of hydropower, so we absolutely support the production of hydropower.

Mrs. BOEBERT. All right. Thank you so much.

I yield back.

Mr. BENTZ. Thank you. The Chair recognizes Mr. Gallego for 5 minutes.

Mr. GALLEGO. Thank you, Mr. Chair. Thank you to all of our witnesses for your time and perspective today. A special welcome to Ms. LeBeau, and thank you to all of the work WAPA does to bring resilience and affordable power to communities in Arizona.

Across the agencies represented here today, the issues addressed in the President's Fiscal Year 2024 budget are exactly why I joined this Subcommittee, especially in this Congress. These are some of

the most dire issues facing the country, and it is important that the Federal Government solutions be well-funded and forward-thinking. This hearing is especially timely, with the announcement yesterday that the lower Colorado Basin states have reached an agreement on a consensus basis about what we should do for the next couple of years. And thank you for working on that as long as you did. And this is a very welcome update, especially to us in Arizona. I look forward to working with stakeholders and the Bureau of Reclamation in the SEIS process.

I do have a couple of questions for Commissioner Touton. This budget includes \$35.5 million for Reclamation's Native American Affairs Programs. Do you feel your department has the resources it needs to adequately engage in tribal consultation with our tribal partners, and what steps are you taking to ensure this?

Ms. TOUTON. Is that to me, Congressman? Thank you for that question.

The \$35.5 million is a plus-up for us. And certainly, that is a program that is utilized by many tribal constituencies. We are also going to leverage the funding in the Inflation Reduction Act provided for tribal assistance to help in those matters.

Tribes are an important part of the conversation. They are part of the solution. I was just out last week with Governor Lewis and groundbreaking of the water recycling plant. Right after this flight, I will be heading to Arizona for more nation-to-nation consultations.

Mr. GALLEGO. Excellent. We really do appreciate the nation-to-nation consultation. We really need them as partners, and we should be treating them as partners. I am very happy to see that that is happening, and they are going to be part of this solution for us to really survive and thrive in the desert—thank you so much.

I yield back.

Mr. BENTZ. Thank you. The Chair recognizes himself for 5 minutes of questions. I want to start with Administrator Hairston.

There are rumors going around that the CEQ—that is, the Council on Environmental Quality out of the White House—is pushing Federal agencies to say they agree on breaching the four Lower Snake River dams. Have you been or someone in your agency, to the extent of your knowledge, been contacted by the CEQ regarding the four Snake River dams?

Mr. HAIRSTON. Thank you for the question, Congressman, and yes. We are actually part of a process, an FMCS process, which CEQ is heading that is looking at a long-term, durable solution to move us out of litigation around this lower Snake dams. And there have been various items discussed as we have gone through that, and we are scheduled to, at least in this first stay of litigation in July. And we will know a lot more about what the contents of that stay or extended stay might be.

Mr. BENTZ. Am I safe in assuming—I am sure I am not—but that the BPA is doing its best to defend the continued existence of those dams?

Mr. HAIRSTON. BPA certainly supports the lower Snake dams. They are a valuable part of our asset base. We depend on those assets during particularly peaking periods. I can point to the last

couple of heat waves and cold snaps, where we have had to call on those dams to help us get through those reliability challenges. So, yes, we are very supportive of those assets as part of our portfolio.

Mr. BENTZ. And I thank you for that. They are important to the community, obviously, along the river from Idaho through to the sea. So, I am very happy to hear of your support for reasons having to do with power.

Also equally important, of course, is freight.

Ms. Touton, I would like to turn our attention to Colorado for just a moment, and the money that has been spent to try to assist in the settlement that is recently, I hope, reached. Can you share with us how big a part, numerically, that portion of the \$4 billion in the IRA played in that solution?

And how much, in other words, did the IRA factor in when it comes to money paid?

Ms. TOUTON. When the Inflation Reduction Act was enacted, it provided us the authority to find long-term solutions, which we will be using the bulk of the funding for, as well as bridging solutions to solve in the short term.

So, the framework consensus proposed by the lower basin looks at compensation close to \$1 billion. But that, in the term of the time we are looking at, is 3 million acre-feet of water. This amount of reductions have never been done on the river before. So, the magnitude of those reductions and that being done voluntarily is a significant step forward for the Colorado—

Mr. BENTZ. How much per acre-foot?

Ms. TOUTON. It varies. When you look at long-term contracts, it ranges from \$330 to \$400. And there are certainly other provisions that we are looking at, too. I am happy to follow up for the record for you.

Mr. BENTZ. Is it correct to say that what is really happening is the money is being paid to stop farming, and shift that water to cities? Is that correct?

Ms. TOUTON. There are cities that have also signed up, actually. Tomorrow, we will be signing with the City of Tucson for them to leave water in the reservoirs, as well as the Gila River Indian community who have helped to provide 125,000 acre-feet.

Mr. BENTZ. Right, but the short question is, are we spending \$1 billion to basically place water into cities, as opposed to farms? Is that what is happening?

Ms. TOUTON. We are looking for sustainability in the system.

Mr. BENTZ. Of course, we all are. But the question is, are we using that billion dollars to put water into cities?

Ms. TOUTON. We are using that to put water in the system, and that includes sustainability for agriculture.

Mr. BENTZ. I am sure we can look at the agreement and figure it out. Let's move to something like aquifer storage for a moment. Is the department under your watch assisting in advancing aquifer storage in California in particular, but across the nation?

Ms. TOUTON. Yes.

Mr. BENTZ. Because it seems to be one of the most important places we could be spending our time when it comes to storage.

And can you share with us whatever you are doing in that space, and whatever amount of money is being spent?

We don't have time today for you to go into any detail, but it is of terrific interest to me, and I think everybody else. So, will you provide us with that information?

Ms. TOUTON. I can, and if I could, just quickly, we have 27 flood control contracts in the Central Valley, up to 50,000 acre-feet. Some of that will be used for aquifer storage, and \$10 million in aquifer storage grants in Del Puerto and current aquifer bank.

Mr. BENTZ. All right, thank you. And I appreciate your efforts for the department.

With that, I yield back and recognize Ms. Porter for 5 minutes.

Ms. PORTER. Thank you, Mr. Chair. Members from the Colorado River Basin states make up about half of this Subcommittee. Republican or Democrat, we all have a shared interest in providing reliable water supplies across the West. We have a shared bipartisan voice that can swing this Subcommittee. Unfortunately, we are not using it. In fact, we are about to let something bad happen. We are about to let Reclamation Basin Study Program expire in 2023, this year.

Commissioner Touton, what would happen to our Western constituents if we let the Reclamation's Basin Study Program expire?

Ms. TOUTON. The Basin Study Program has been a great program for us to work with our constituencies like in the Colorado River Basin to identify the challenges they face. It provides, really, a guiding post of what the challenges are today, but what also we anticipate in the future.

Ms. PORTER. Who are some of the users of the work that the Basin Study Program does?

Ms. TOUTON. From an on-the-ground level, certainly our irrigation folks, cities, but also states and tribal entities.

Ms. PORTER. Water districts?

Ms. TOUTON. Yes.

Ms. PORTER. We don't have to let politics stand in the way of delivering water to our constituents. Sometimes there are tough choices with water. This isn't one of them.

The Reclamation's Basin Study Program should be extended because what it does is provide information for all of the different entities to have informed conversations about how to make use of water.

I introduced a bill, H.R. 3027, to reauthorize, to extend the existence of the Bureau of Reclamation's Basin Study Program. Here is the bill. That is all of it, that is the entirety of the bill. I will read it to you: "To reauthorize funding for the Reclamation Climate Change and Water Program. Section 9503(f) of the Omnibus Public Land Management Act of 2009 is amended by striking 2023 and inserting 2033."

Commissioner Touton, does this bill change the work of the Reclamation Basin Study Program?

Ms. TOUTON. It extends our existing program.

Ms. PORTER. Is there anything here that is going to change policy, anything controversial, anything that is trying to lean one way or the other on water policy?

Ms. TOUTON. It extends our existing program, Congresswoman.

Ms. PORTER. It extends our existing program. That is it.

Chairman Bentz, may I yield to you? Would you be willing to support extending the Reclamation's Water Basin Program for 10 years?

Mr. BENTZ. Not without studying it more.

Ms. PORTER. Would you be willing to consider this bill for a future markup?

Mr. BENTZ. After discussing the matter with my staff.

Ms. PORTER. Thank you. I yield back.

Mr. BENTZ. I thank the witnesses for the valuable testimony, and the Members for their questions.

Members may have some additional questions for the witnesses, and we will ask you to respond to these in writing.

The first panel is now dismissed. Thank you so much.

We will hesitate for a moment while we trade out panels.

[Pause.]

Mr. BENTZ. I will now recognize the second panel of witnesses: the Honorable Martha Williams, Director of the U.S. Fish and Wildlife Service in Washington, DC; the Honorable Jainey Bavishi, Deputy Administrator of the National Oceanic and Atmospheric Administration in Washington, DC; and we have Mr. Sam Rauch standing by, is that correct?

Let me remind the witnesses that under Committee Rules, you must limit your oral statements to 5 minutes, but your entire statement will appear in the hearing record.

To begin your testimony, please press the talk button on the microphone.

We use timing lights. When you begin, the light will turn green. When you have 1 minute remaining, the light will turn yellow. And at the end of the 5 minutes, the light will turn red, and I will ask you to please complete your statement.

I will now recognize Director Williams for 5 minutes.

STATEMENT OF THE HON. MARTHA WILLIAMS, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, WASHINGTON, DC

Ms. WILLIAMS. Good morning, Chairman Bentz, Ranking Member Huffman, and members of the Subcommittee. Thank you for the opportunity to testify on the Fish and Wildlife Service's Fiscal Year 2024 budget request.

At the Fish and Wildlife Service, we connect people with nature. Our mission is working with others to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people. Today, I will present our budget request and highlight a few of our programs for which we are seeking additional support.

Our greatest asset is our talented and dedicated workforce. They work hand-in-hand with our partners, amplifying our collective conservation efforts. That is our superpower. That cooperative spirit is found across the Service. And one example is the Partners for Fish and Wildlife Program.

Since it began in 1987, the Service has helped landowners restore more than 7 million acres of habitat on private lands, leveraging program funding with partner contributions at a 4-to-1 ratio. This year, the Service is requesting a \$19.5 million increase

for the Partners program. These projects not only benefit wildlife, but also provide benefits in local communities through improved drought resistance, water conservation, and wildfire resilience.

Another example is our coastal program, which is a voluntary, partnership-driven effort that offers financial and technical assistance for habitat conservation on coastal watersheds. The program leverages partner contributions at a five-to-one ratio. In addition to improved habitat for wildlife, these investments in coastal ecosystems bring significant benefits to local communities, including storm resilience and recreational opportunities.

The success of these programs shows how our relationships are central to the Service's conservation mission, and that this is true across other programs, including Migratory Bird Joint Ventures, our fish passage work, and more.

Collaboration is also key to the progress we have made in protecting, recovering, and de-listing species under the Endangered Species Act. Hundreds of species are stable, recovering, or recovered. For example, 3 months ago, in partnership with the Department of the Defense, we de-listed San Clemente's Bell's sparrow and four other species. Two months ago, after decades of work across the Southeast with state and local partners, we announced our intention to de-list the wood stork.

We are requesting \$88.5 million increase for our ecological services program to build on our success and to help recover species by bringing them back to stable populations or conserve at-risk species. Ecological services is also central to the government's consultation and planning capacity to help deliver infrastructure projects throughout the country. Our employees are always looking for ways to improve efficiency, consistency, and transparency for our consultations.

But we are also operating with 20 percent less staff than we had two decades ago. Expanding our workforce capacity will help ensure that the Service's consultations are not a bottleneck for projects. As we increase investment in our country's infrastructure, sufficient workforce capacity is even more critical. The good work we are supporting across the country needs to be matched with responsible stewardship of the lands that the Service manages.

Our refuge system spans more than 850 million acres of lands and waters, and includes 568 refuges. The refuge system has grown over time, but over the last 10 years, staffing has decreased by nearly 25 percent. A request includes an \$83 million increase to help rebuild the workforce of our refuge system. It will ensure that we have the law enforcement officers, visitor services staff, and biologists on hand to properly manage these lands and waters and to be good neighbors to nearby communities.

Thank you for the opportunity to testify today. If enacted, this budget will make a significant difference. I would be pleased to answer any questions that you may have, Mr. Chair.

[The prepared statement of Ms. Williams follows:]

PREPARED STATEMENT OF MARTHA WILLIAMS, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR

Good morning, Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee. Thank you for the opportunity to testify before you today on the U.S. Fish and Wildlife Service's (Service) Fiscal Year 2024 budget request, and for the Subcommittee's continued support of the Service's work. The Administration continues to show strong support for the Service and our conservation mission through its annual budget request.

This past year we were pleased to begin implementation the Bipartisan Infrastructure Law, through which the Service received nearly \$111 million for just over 300 projects across the country. The Bipartisan Infrastructure Law is a significant investment in the nation's infrastructure and economic competitiveness. The law is also a substantial investment in wildlife conservation. In the Bipartisan Infrastructure Law's inaugural year, the Service identified 12 projects in the Delaware River Basin, 33 projects in the Klamath Basin and five projects in the Lake Tahoe area that will provide habitat restoration, invasive species control, conservation of at-risk species and other benefits to these ecosystems. The Service and its partners also started work on 40 National Fish Passage Program projects, which are restoring habitat connectivity for aquatic species and reducing flooding risks and public safety hazards throughout the country. And, we co-sponsored a first-ever National Fish Passage Bipartisan Infrastructure Law workshop to pull together diverse stakeholders, including more than 100 practitioners from federal and state agencies, Tribes, conservation organizations and other partner organizations, to identify shared goals in an effort to make the most of this opportunity. We are also improving habitat by plugging 175 orphan wells on six National Wildlife Refuges in Louisiana and Oklahoma. These wells are actively leaking hydrocarbons, methane and contaminated water, and pose a threat to wildlife, their habitat and nearby communities. And through the Service's Sagebrush Conservation program, we are implementing 49 projects in the western states to conserve strategic areas within the sagebrush ecosystem and safeguard precious water resources for neighboring communities and wildlife.

As excited as we are about the opportunity afforded to us by the Bipartisan Infrastructure Law, the Service would not be capable of undertaking this work without a robust base budget to fund our dedicated staff who implement programs and projects. I am pleased to announce that the Administration's budget request provides significant resources for base capacity and our conservation mission. Throughout, the Service's budget request carries forward our commitment to building successful partnerships and working collaboratively. Working with others is a critical component of our mission and something we rely on daily to be successful.

The FY2024 President's budget request for the Service totals \$4.2 billion, including current appropriations of \$2.2 billion. The discretionary portion of the Service's request is an increase of \$315 million above the 2023 enacted level. A majority of this increase directly supports conservation and retaining biodiversity on the landscape.

The budget also includes \$2 billion available under permanent appropriations, most of which is provided directly to states for fish and wildlife restoration and conservation.

The FY2024 budget promotes strategic investments to implement the goals of America the Beautiful, the Administration's conservation initiative to address the impacts of climate change on natural resources, conserve species and habitats, reconnect Americans with the outdoors, facilitate economic development and create good-paying job opportunities. At its core, America the Beautiful is about supporting locally-led and voluntary efforts to conserve, steward and restore lands and waters on local, state, Tribal and private lands. America the Beautiful is about working with communities to identify what conservation programs and projects work well for them. We want to invest in those efforts and stitch them together into a collaborative and inclusive approach to conservation across the country.

Key investments in the FY2024 budget request also include Conservation and Biodiversity, Service Capacity, Science and Customer Service.

Conservation and Biodiversity

This year we are celebrating the 50th anniversary of the Endangered Species Act (ESA). Our budget request includes an increase of \$19 million for species recovery and an overall increase of \$88.5 million for our Ecological Services program, which will support our endangered species work. The ESA provides a critical safety net for fish, wildlife and plants and has prevented the extinction of hundreds of

imperiled species, promoted the recovery of many others and helped conserve habitats upon which they depend.

But the ESA alone cannot recover imperiled species. The law's success depends to a large extent on partnerships and our collaborative efforts with stakeholders across the country. The ESA continues to be tremendously successful because it facilitates and incentivizes collaborative conservation.

Our FY2024 budget request will continue to support those collaborative efforts through a nearly \$30 million increase in our Partners for Fish and Wildlife program, which will help improve habitat for listed and at-risk species while supporting traditional land uses such as ranching. The Partners program will also invest \$3 million in connecting wildlife corridors to allow for species to move across the landscape, connecting habitat.

The budget also provides \$14.6 million in additional funding for our Migratory Bird program's conservation and monitoring efforts to help address the documented loss of over 3 billion birds since 1970, a net loss of 29 percent of the breeding bird population over the last half-century. In contrast, we have been tremendously successful in keeping waterfowl populations at sustainable levels. So, we know how to conserve birds—if we have the resources to do it. The total requested increase for Migratory Birds is \$38.1 million, including funding for our partners in Joint Ventures around the country.

Another persistent conservation challenge is invasive species. We need to shift our approach from funding eradication efforts for already established species to funding prevention, so species do not get the chance to establish. The budget would provide \$7.4 million in additional funding for invasive species prevention to address problem species before they spread.

Conservation Capacity Needs

The Service's ability to address the threats to wildlife and ecosystems and effectively leverage investments like the Bipartisan Infrastructure Law depends on the capacity of our programs to do their day-to-day work. The FY2024 budget request invests heavily in that capacity, with additional funds for endangered species consultation and other environmental permitting work, as well as funding for recovery of listed species, migratory birds and native fish.

The National Wildlife Refuge System spans more than 850 million acres of lands and waters and includes 568 national wildlife refuges, 38 wetland management districts, 49 coordination areas and five national marine monuments that cover 760 million acres of submerged lands and waters. There are refuges located in all 50 states, including 63 refuges with wilderness areas. The Refuge System embodies our nation's commitment to conserving wildlife populations and biodiversity for the benefit of present and future generations of Americans. Yet, the Refuge System has 800 fewer staff than they did 10 years ago, when there were far fewer refuges.

To begin to address this dire capacity need, we are requesting an additional \$30.5 million for wildlife and habitat management. Funding for refuge operations—including wildlife and habitat management, visitor services, refuge law enforcement and planning—is \$454.3 million, or \$63 million above the previous year's enacted level. The increase will be used for adaptive management, habitat resilience and the use of science-driven decision making.

Another capacity issue is in our Ecological Services program. Ecological Services planning and consultation capability is at an all-time low due to spiking workload and a real decrease in funding. Effective project development and economic growth depends on the work completed by our Ecological Services program. To meet the increasing demand, we are requesting an increase of \$50.5 million.

In addition to the requested funding to increase environmental permitting capacity, the budget also proposes to expand our existing authorities to allow federal agencies to more effectively transfer funds provided under the Bipartisan Infrastructure Law to both the Service and the National Marine Fisheries Service to complete permitting activities. This authority will help address the unique workload surge anticipated from the Bipartisan Infrastructure Law and would accelerate environmental reviews in support of responsible development of priority infrastructure projects and energy solutions across the country.

In addition to demand for consultations, requests for other environmental reviews such as those related to migratory bird permitting are also at historically high levels due to infrastructure funding and economic growth. This budget request proposes to provide an additional \$7.8 million to support staff handling migratory bird permitting in our regional offices.

Many of the Service's programs are currently facing capacity issues; however, our Fisheries field offices have not received any increased funding in recent years. The ability of these offices to assess the status and trends of aquatic species, evaluate

the causes of species decline and work with partners to implement actions to restore fisheries populations is lagging. Our request would provide an increase of \$10 million to provide more capacity for Fisheries field offices.

Advancing Science

Science is the foundation of our work, and a robust science program is critical to ensure we are making fully informed decisions across all of our programs. The President's budget request includes an increase of \$20 million for the Service's Science Applications program, including \$13.5 million for Science Partnerships to work with partners on landscape level planning and shared science, as well as \$6.6 million for translating science into useful tools for on-the-ground management.

Customer Service

The Service's mission is to conserve wildlife on behalf of the American public. Our efforts to provide the public with the best customer service possible are another cornerstone of the FY2024 budget request. We are engaged in a series of efforts to improve customer service, including addressing the fact that environmental policy decisions have often failed to adequately account for environmental injustices. One of our primary focal points for supporting the Administration's initiative to advance racial equity in conservation and recreational access is the Urban Wildlife Conservation Program.

The program encompasses 101 urban national wildlife refuges, including seven flagship refuges that deliver additional programming for visitors, 32 designated Urban Wildlife Refuge Partnership cities and 30 Urban Bird Treaty cities. The FY2024 budget includes an additional \$5.5 million to support creation of five more urban flagship refuges and an additional \$1 million to support urban bird treaties.

In order to serve members of the public seeking one of our permits, we are requesting an additional \$6 million for upgrades to our online system, known as E-permits. Enhancements will include continued work on secure paperless CITES permitting, the inclusion of the Migratory Bird program's permits and allowing users to apply online for Refuge System special use permits. We envision that all Service permits will be available online in the next few years.

Construction and Maintenance

Implementing an aggressive agenda to tackle conservation in the face of climate change requires a commensurate investment in support resilient facilities and real property. The Service is responsible for more than \$50 billion in constructed real property assets that include over 25,000 structures as well as nearly 14,000 roads, bridges and dams. Our FY2024 construction request is \$51 million, \$21 million more than the 2023 enacted amount, including \$42 million for line-item construction projects.

Starting in FY2021, the Great American Outdoors Act Legacy Restoration Fund provided mandatory funding for Refuge System Deferred Maintenance. This is in addition to the Deferred Maintenance funding within our Refuge program, which is funded at \$48.6 million.

Altogether, this budget includes \$366.2 million for asset maintenance and construction. The Service will use these funds to address high-priority health and safety needs for Service-owned assets to begin a transition to a life-cycle maintenance strategy that will reduce long-term maintenance costs and improve the experience of our visitors.

Law Enforcement and International Affairs

The Service's Office of Law Enforcement investigates wildlife crimes and enforces the laws that govern and facilitate trade in wildlife and wildlife products. FY2024 funding is proposed at \$104.4 million for the Office of Law Enforcement, an increase of \$12.3 million above the 2023 enacted level.

We continue to work with the State Department, other federal agencies and foreign governments to address the threat to conservation and global security posed by illegal wildlife trade and trafficking. A portion of the funding proposed for the Office of Law Enforcement will support implementation of the new Big Cat Public Safety Act, which prohibits the private possession of big cats and makes it illegal for exhibitors to allow direct contact with cubs.

The budget request also includes \$26.7 million for the International Affairs program, \$5.1 more than the 2023 enacted amount. This increase will support expanded conservation capacity for iconic species such as elephants and rhinos, as well as climate adaptation and resiliency efforts abroad.

Our international program complements our law enforcement efforts by developing strategies to target consumer demand for illegal products, which is

driving a rapid increase in the poaching of species such as tigers and pangolins. And, as part of the One Health effort, the two programs also work to protect against disease transmission through the wildlife trade.

Legislative Proposals

This year's budget request contains a number of important legislative proposals which would enhance the Service's ability to use our resources to the maximum extent possible. As discussed above, we are asking for transfer authority for Bipartisan Infrastructure Law funds from other federal agencies to support environmental reviews for covered projects. This has worked well where existing authority exists, such as with the U.S. Forest Service.

Another legislative proposal is to expand good neighbor authority to the Service. This would allow states, counties and Tribes to enter into agreements to perform forest, rangeland and watershed restoration work on federal land. Another proposal for stewardship contracting authority would allow the Service to trade forest products for land management and services.

A fourth legislative proposal was also included in our FY2023 budget request. Resource protection authority would allow us to recover funds from responsible parties when Service resources are injured or destroyed. Currently, the costs of repair and restoration falls upon the appropriated budget and any fines or penalties are paid to the U.S. Treasury.

Conclusion

Thank you again for your support for the U.S. Fish and Wildlife Service.

QUESTIONS SUBMITTED FOR THE RECORD TO MARTHA WILLIAMS, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE

Ms. Williams did not submit responses to the Committee by the appropriate deadline for inclusion in the printed record.

Questions Submitted by Representative González-Colón

Question 1. In Fiscal Year 2023, the U.S. Fish and Wildlife Service (the Service) proposed and received approval for an allocation of \$3,763,000 under the Great American Outdoors Act (GAOA) Legacy Restoration Fund (LRF) to replace the headquarters and visitor center of the Cabo Rojo National Wildlife Refuge. The Service had previously secured \$5,237,000 in Fiscal Year 2022 Emergency Supplemental Appropriations for this project.

What is the status of the project and projected timeline for completion? What efforts is the Service pursuing to ensure it is carried out in a timely manner?

Question 2. According to information shared by the Service with my office last year, the deferred maintenance backlog for the National Wildlife Refuges in Puerto Rico totaled more than \$15 million. Per the Service, this figure represented "an increase from the February 2021 total of \$4.8 million due to the most recent Comprehensive Condition Assessment conducted at Vieques NWR in Fall 2021, which captured new deficiencies from real property assets that the Service has inherited from the Navy."

What is the current deferred maintenance backlog for each of the five National Wildlife Refuges in Puerto Rico? What efforts is the Service currently pursuing to address and reduce it, particularly for the Vieques National Wildlife Refuge?

Question 3. The Service included \$8 million for Maintenance Action Teams at multiple National Wildlife Refuges as one of its Fiscal Year 2024 GAOA LRF projects. Does the Service anticipate some of that funding will impact projects at the National Wildlife Refuges in Puerto Rico? If so, how much funding would be allocated for such projects and what is the estimated deferred maintenance that would be addressed?

Question 4. Last December, Congress appropriated \$275 million in disaster relief funding to the Service to address damages from recent hurricanes and natural disasters. I commend the Service for approving 90 projects totaling \$52.54 million from this funding to address needs within Puerto Rico's National Wildlife Refuges and Puerto Rican parrot aviaries.

Could you please share additional information about the specific projects that will be carried out at these sites, including whether any of the initiatives will target or reduce deferred maintenance needs?

Question 5. I was pleased to hear during our Subcommittee hearing that the project design for the restoration of the Caho Rojo Salt Flats is 75 percent complete. What is the expected timeline for the project, including for the actual restoration work? What efforts is the Service pursuing to avoid delays and ensure it is carried out in a timely manner?

Questions Submitted by Representative Kiggans

Question 1. I understand that USFWS is currently denying CITES re-export permits for research samples and derivatives from Non-Human Primates (NHPs) previously imported from Cambodia under permits which were approved by the Service. I also understand that while there has been no official rule change, USFWS has made clear by rejecting permits and communicating with legal teams the desire for DNA lineage of animals that simply complying with CITES is no longer enough to have animals accepted for import. These actions have created a de-facto ban that potentially could halt clinical research as well as place the US biotech sector at a distinct disadvantage, while countries like China seek to grow their domestic biopharmaceutical industry. In light of these actions, what is the agencies 'go forward' strategy to facilitate new NHP importation from Cambodia?

Question 2. I understand that the agency has indicated they could still examine establishing a criteria for NHPs from Cambodia on a case-by-case basis, but it is also clear an importer will not risk having shipments rejected if they know the rules of the road could change without notice. While we support USFWS's regulatory flexibility to assess shipments for potential wrongdoing, this flexibility is not meant to be used to move goalposts. Is there a clear set of testing and lineage criteria that clinical research companies can see to assess the viability of new imports?

Questions Submitted by Representative Dingell

Wildlife refuges are important assets for all Americans, and they are the only U.S. lands and waters whose primary purpose is the conservation of fish and wildlife. Nearly 67 million people visit the nation's 568 refuges annually. As a result of chronic underfunding, the Refuge System continues to face significant challenges in adequate staffing, program delivery, and conservation planning needs. Underpinning all of these challenges is significant understaffing. Over 800 Refuge System positions have been lost since FY2011, a staggering 25% loss in capacity.

Question 1. What is the estimated funding required to fully implement all Refuge System operations and maintenance activities in line with existing regulatory and partnership activities required of the Refuge System?

Question 2. The Service has requested almost \$625 million for the Refuge System in FY24. How would this funding allow the Service to strengthen the Refuge System?

Question 3. This year, we celebrate the 50th anniversary of the enactment of the Endangered Species Act—one of our nation's strongest laws protecting wildlife. While the ESA has been very successful in species protection, it has done so with limited funding. And on top of this, our colleagues across the aisle are threatening to further slash funding across federal agencies.

Question 4. How will strong funding enable the Service to carry out the mission of the ESA, and how would cuts to this funding affect species conservation?

Mr. BENTZ. Thank you, Director Williams. I now recognize The Honorable Jainey Bavishi, Deputy Administrator of the National Oceanic and Atmospheric Administration in Washington, DC, for 5 minutes.

STATEMENT OF THE HON. JAINEY BAVISHI, DEPUTY ADMINISTRATOR FOR THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, WASHINGTON, DC

Ms. BAVISHI. Chair Bentz, Ranking Member Huffman, and members of the Subcommittee, thank you for the opportunity to testify today on the President's Fiscal Year 2024 budget request for the National Oceanic and Atmospheric Administration, or NOAA.

For Fiscal Year 2024, NOAA proposes a budget of \$6.8 billion in discretionary appropriations, an increase of \$450.5 million from the Fiscal Year 2023 enacted. The Fiscal Year 2024 budget builds on investments in the Inflation Reduction Act and the Bipartisan Infrastructure Law for climate-ready coasts, climate data and services, and fisheries, and protected resources. This budget supports NOAA's goal of scaling up critical efforts to understand and mitigate impacts of the climate crisis.

Specifically, NOAA will make investments in research, observations and forecasting, restoration and resilience, offshore wind development, and equity both within the agency and around the nation.

It also includes additional investments in our fleet and aircraft, satellites, and space weather observations and predictions to ensure NOAA continues to provide actionable environmental intelligence that is the basis for smart policy and decision-making in a changing world.

As we increase our understanding of the changing climate, we will simultaneously research and develop new and improved tools for decision makers to address climate impacts. For example, NOAA will support scientific monitoring and prediction of Arctic systems, and ensure that satellite-derived data is provided to users as actionable information.

NOAA will also address the ongoing needs identified by the NOAA Alaska Tribal Health Consortium to further develop their tribal climate program and increase support in service to Alaska Natives.

In addition, NOAA's research will address challenges faced by commercial fishing and marine resource managers and support tourism and recreation.

The NOAA Climate Ready Fisheries Initiative will provide decision makers with climate-informed advice on best management strategies to reduce impacts and increase ecosystem and economic resilience.

NOAA will also invest in increasing conservation and protection in an expanded sanctuary system. NOAA's Fiscal Year 2024 request will enhance the agency's sanctuary management capacity as new sanctuaries are designated. NOAA will work to identify gaps in marine protection, train the next generation of marine-protected area professionals, and expand technology use in sanctuaries to support management priorities.

We will continue to foster environmental stewardship and optimize advances in science and technology with a particular focus on the new blue economy. In support of the Administration's goal to deploy 30 gigawatts of offshore energy by 2030, NOAA will facilitate smart, economic and ecological offshore wind development.

In Fiscal Year 2024, NOAA will continue to work closely with the Department of the Interior's Bureau of Ocean Energy Management, or BOEM, to minimize the effects of offshore energy projects on protected marine resources, fisheries, and important habitats.

In addition, this request would help to mitigate impacts to fishery surveys in the Northeast and Mid-Atlantic regions.

NOAA's National Seafood Strategy outlines actions to rebuild and enhance the competitiveness of the seafood and fishing industries and associated communities. NOAA will improve global fisheries management through international negotiations and capacity building, monitor U.S. imports to promote legal and sustainable seafood, and increase enforcement capacity and marine forensics.

NOAA continues to prioritize equity in every facet of our mission delivery. In Fiscal Year 2024, NOAA will support a diverse domestic seafood sector through a series of workforce development and training programs. Partnerships will cater to diverse and historically underserved communities, including, but not limited to minority-serving institutions, historically Black colleges and universities, and tribal colleges and universities. Training will focus on the regulations and science that underpin management, which will help improve cooperation and trust among the industry, public, scientists, and regulators.

I look forward to working closely with the Committee as we develop our science and services in Fiscal Year 2024 and beyond, and I look forward to discussing NOAA's mission more with you today. Thank you.

[The prepared statement of Ms. Bavishi follows:]

PREPARED STATEMENT OF JAINEY BAVISHI, ASSISTANT SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE AND DEPUTY NOAA ADMINISTRATOR

Chairman Bentz, Ranking Member Huffman, and Members of the Subcommittee, thank you for the opportunity to testify today regarding the President's Fiscal Year 2024 Budget. The Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) appreciates the continued support of Congress, the Administration, and our broad and diverse base of stakeholders.

For Fiscal Year (FY) 2024, NOAA proposes a budget of \$6.8 billion in discretionary appropriations, an increase of \$450.5 million from the FY 2023 Enacted. The FY 2024 budget builds on investments on the Inflation Reduction Act (IRA) (P.L. 117-169) and Bipartisan Infrastructure Law (BIL) (P.L. 117-58) for Climate-Ready Coasts, climate data and services, and fisheries and protected resources.

The FY 2024 request builds on BIL and IRA investments and supports the following NOAA goals:

- **Expanding NOAA's Climate Products and Services**—As part of a whole of government approach, NOAA will provide actionable environmental information that is the basis of smart policy and decision-making, especially around initial risk and focus areas including wildfires, floods, drought, extreme heat, coasts, marine resources, and mitigation.
- **Providing Science and Data to Inform Economic Development**—NOAA will continue to foster environmental stewardship and optimize advances in science and technology to create value-added, data-driven sustainable and equitable economic development, with a particular focus on the New Blue Economy.
- **Equity and Workforce**—NOAA will continue to integrate equity across the organization by improving capabilities and knowledge sharing, and honing product development and service delivery in Tribal and underserved communities.

- **Satellites**—NOAA will continue investments in future geostationary, low Earth orbit, and space weather observations to ensure continuity of critical data from legacy systems, while providing significant improvements in data and products.
- **Facilities**—NOAA will continue investments aligned with the NOAA Facilities Strategic Plan and Facilities Investment Plan.

Expanding NOAA's Climate Products and Services

NOAA provides actionable environmental information that is the basis for smart policy and decision-making in a changing world. NOAA is collaborating with other Federal agencies as part of the whole-of government effort to address the climate crisis, strengthen resilience and promote economic growth. Together with its partners, NOAA will build a climate-ready nation whose prosperity, health, security, and continued growth benefit from and depend upon a shared understanding of—and collective action to reduce—the impacts of climate change.

The FY 2024 budget builds on investments in the BIL and IRA to pave the way for NOAA's support for a climate-ready nation. **In FY 2024, NOAA requests an additional \$78.2 million to implement Executive Order (EO) 14008 on *Tackling the Climate Crisis at Home and Abroad*.** Funding will support an earth system approach to enhance NOAA's critical contributions to the U.S. climate modeling enterprise, prediction and projection, research and development, observational infrastructure, and service delivery and decision support tools. Establishing an end-to-end value chain for climate and weather data and services starts with investing in observational infrastructure and culminates in delivering comprehensive services to meet a diverse set of missions.

NOAA's weather and climate predictions and information must be reliably delivered to users to inform decision making. Forty percent of the U.S. population lives and works in coastal counties,¹ making a disproportionate segment of our society and economy at increasing risk to hazards such as hurricanes and coastal inundation. Therefore, the FY 2024 request will maintain investments to optimize the National Weather Service (NWS) Integrated Dissemination Program to ensure the provision of weather and climate predictions, forecasts, and warnings to the public, emergency management partners, and the U.S. weather enterprise. Funding will also allow first responders to immediately access imagery to assess and prioritize response efforts, improving positioning and processing, and delivering high resolution GIS ready imagery in real-time.

In coordination with other Federal climate service partners, NOAA will expand the proven capabilities of the Climate Adaptation Partnerships program and complement this work with NOAA's Regional Climate Services in order to advance adaptation measures and resilience planning at regional and local scales, while also prioritizing environmental justice. These partnerships will increase the value of climate information to users and support more efficient, cost-effective delivery of products and services relevant to region-specific economic activity, hazards, and vulnerability.

NOAA provides timely and actionable environmental observations on global, national, and regional scales from satellites, radar, surface systems, atmospheric greenhouse gas sampling stations, ocean buoys, uncrewed systems, aircraft, and ships. With the funding requested in FY 2024, in addition to the funding provided through the Inflation Reduction Act, NOAA will continue the acquisition of a second G-550 for its high-altitude jet program. NOAA will invest in Days at Sea and Flight Hours to support critical mission requirements, and the NOAA Corps officers needed to safely and effectively operate new ships and aircraft. In addition, uncrewed platforms have great potential to increase data collection efficiency and fill gaps not met by traditional platforms. NOAA will continue to explore using Uncrewed Systems to support the full spectrum of NOAA's aircraft and maritime missions.

NOAA will collaborate with our academic research partners to improve precipitation predictions across multiple weather and climate timescales through the Precipitation Prediction Grand Challenge Initiative. This effort will lead to improved precipitation forecasts using NOAA's Unified Forecast System. In addition, NOAA will develop a state-of-the-art global reanalysis capability to improve the prediction of high impact weather events, coastal inundation risk, and infrastructure failure, which will in turn improve our understanding of trends in extreme events, climate

¹NOAA Office of Coastal Management and U.S. Census Bureau, American Community Survey Five-Year Estimates (2015–2019), <https://coast.noaa.gov/digitalcoast/data/acs.html> (accessed March 1, 2023)

impacts on marine ecosystems and fisheries, and environmental change in under-observed polar regions.

As we increase our understanding of the changing climate in the short and long-terms, we will simultaneously research and develop new and improved tools for decision makers to address climate impacts. For example, NOAA will support scientific monitoring and prediction of Arctic systems, development of innovative observational technologies, and ensure that satellite-derived data is provided to users as actionable information in support of high-priority applications in polar regions and coastal zones. NOAA will also address the ongoing needs identified by the NOAA-Alaska Tribal Health Consortium to further develop their Tribal climate program, and increase support in service to Alaska Natives. In addition, NOAA's research will address challenges faced by commercial fishing and marine resource managers and support tourism and recreation. The NOAA Climate-Ready Fisheries Initiative will provide decision-makers with climate-informed advice on best management strategies to reduce impacts and increase ecosystem and economic resilience.

NOAA will also invest in increasing conservation and protection in an expanded sanctuary system, which is an integral part of NOAA's implementation of the *America the Beautiful* initiative that includes the goal to conserve at least 30 percent of U.S. lands and waters by 2030. NOAA's FY 2024 request will enhance NOAA's sanctuary management capacity as new sanctuaries are designated. NOAA will work to identify gaps in marine protection, train the next generation of Marine Protected Area professionals, and expand technology use in sanctuaries to support management priorities.

Providing Science and Data to Inform Economic Development

NOAA will continue to foster environmental stewardship and optimize advances in science and technology to create value-added, data-driven sustainable economic development, with a particular focus on the New Blue Economy: supporting development framed around an information and knowledge-based approach to support fisheries, transportation, shipping, renewable energy, recreation, and livelihoods. In 2022, the Bureau of Economic Analysis, in partnership with NOAA, released the official Marine Economy statistics that the U.S. marine economy contributed about \$361.4 billion to the Nation's gross domestic products² and supported 2.2 million jobs in 2020.³ **In FY 2024, NOAA requests an additional \$81.4 million in support of the expansion of offshore wind energy, the National Seafood Strategy, ocean and coastal mapping and charting, and development of key information systems in our tsunami, weather, and space observations infrastructure.**

In support of the Administration's goal to deploy 30 gigawatts of offshore energy by 2030, NOAA will facilitate smart economic and ecological offshore wind development. In FY 2024, NOAA will continue to work closely with the Department of the Interior's Bureau of Ocean Energy Management (BOEM) to minimize the effects of offshore energy projects on protected marine resources, fisheries, and important habitats; reduce delays and minimize adverse economic impacts to the fishing industry and related coastal communities; and mitigate impacts to fisheries surveys in the Northeast and Mid-Atlantic.

NOAA's National Seafood Strategy outlines actions to rebuild and enhance the competitiveness of the seafood and fishing industries and associated communities. NOAA will support the Strategy by combating Illegal, Unreported, and Unregulated (IUU) fishing through increased capacity for existing programs. NOAA will use advanced technology, improve global fisheries management through international negotiations and capacity building, monitor U.S. imports to promote legal and sustainable seafood, and increase enforcement capacity and marine forensics.

In FY 2024, NOAA will fill data gaps in the foundational data for ocean and coastal mapping and charting of the U.S. Exclusive Economic Zone, and build out geospatial and water level infrastructure in coastal areas benefiting local communities and Tribal populations. Also, to further address tsunamis' unpredictability and potentially disastrous consequences to life and property along vulnerable U.S. coastlines, NOAA will provide a common framework that supports the National Tsunami Warning Center, located in Alaska, and Pacific Tsunami Warning Center, located in Hawaii. Funding will ensure continuity of operations by eliminating

²Bureau of Economic Analysis and NOAA, *Ocean Economy*, <https://www.bea.gov/news/2022/marine-economy-satellite-account-2014-2020> (accessed March 1, 2023)

³Bureau of Economic Analysis and NOAA, *Ocean Economy*, <https://www.noaa.gov/news-release/marine-economy-continues-to-power-american-prosperity-despite-2020-downturn> (accessed March 1, 2023)

discontinuities within existing systems, and providing consistent guidance to all users, independent of location.

With the FY 2024 Budget request, NOAA will complete acquisition of a demonstration model to advance critical research and support industry engagement to evaluate a dual polarization Phased Array Radar (PAR) technology to meet NOAA's weather radar requirements. PAR is a promising technology that could replace NOAA's current NEXRAD radar network by 2040. Additional funding will support improvement in the safety of commercial space activities as Earth's orbits become increasingly congested with space traffic and debris. This request will allow the Office of Space Commerce to continue progress toward meeting its target of achieving Full Operating Capability in FY 2025 for space situational awareness services.

Equity and Workforce

As NOAA tackles the climate crisis by building a climate-ready nation, it will strive to engage and support the Nation's underserved and vulnerable communities. The Administration's policies, including those described in EO 13985 on *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and EO 14096 on *Revitalizing Our Nation's Commitment to Environmental Justice for All*, direct agencies to integrate equity into the DNA of their organizations—from management, to policies, to service delivery. To meet this challenge, NOAA is making equity central to every facet of mission delivery and working internally to create a model agency that incorporates diverse perspectives into our decision-making. **In FY 2024, NOAA requests an additional \$9.1 million to invest in science and management efforts in the U.S. Pacific and Caribbean territories, and support fisheries management and the seafood sector through training and workforce development.**

NOAA will expand the use of social, economic, and climate change metrics that uniquely characterize a coastal community's vulnerability and resilience to disturbances (e.g., harvest declines, extreme weather, oil spills, sea level rise, etc.). This will enable users to analyze the climate vulnerability of over 4,600 coastal communities in 23 states thereby supporting the implementation of policies that address environmental, climate, and racial equity and justice considerations.

NOAA will support a diverse domestic seafood sector through a series of workforce development and training programs. Partnerships will cater to diverse and historically underserved communities, including but not limited to: minority serving institutions (MSIs), Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and community colleges. Training will focus on adaptation to disruptions in the market and the regulations and science that underpin management, which will help improve cooperation and trust among the industry, public, scientists, and regulators.

Satellites

NOAA satellites are critical for NOAA's mission, as well as the security, safety, and prosperity of the Nation. Data from these satellites provide essential support to all segments of the U.S. economy. **In FY 2024, NOAA requests an additional \$365.8 million for significant investments in NOAA's observational infrastructure, underscoring NOAA's commitment to making crucial, time-sensitive, and cost-effective investments to ensure that the Nation's next-generation satellite systems expand service delivery of essential earth system observations to meet the evolving needs of the American public.** The FY 2024 budget will help NOAA better observe environmental phenomena connected to climate change-related impacts and patterns, and deliver products, information, and climate services to inform decision makers.

The value of NOAA's world-class data is enhanced by NOAA applications and access by users. The FY 2024 budget supports much-needed improvements to NOAA's data infrastructure that will ensure that the data collected are preserved for the future and can be easily accessed in a cloud-based environment. This includes funding to transition NOAA to cloud computing for data ingest, processing, dissemination, and archiving, which will expand the size and diversity of NOAA user communities and data applications. In addition, NOAA will continue to implement vulnerability management against the latest threats on satellite ground systems to lower the operational risk, which ensures continuity of critical satellite data flow to key customers such as NOAA's NWS.

NOAA's current constellation has proven its worth and will continue to do so for another decade. However, NOAA must concurrently invest in the next generation of environmental satellites with the needs of all of our communities in mind. FY 2024 funding for future geostationary, low earth orbit, and space weather observa-

tions will ensure critical data continuity from legacy systems, while providing significant improvements in data and products to meet the complex societal and environmental needs of the Nation. NOAA's program investments also allow us to immediately capitalize on the National Aeronautics and Space Administration (NASA)'s satellite observations for NOAA requirements and mission focus.

Facilities

NOAA's facilities portfolio is vast with over 620 facilities, including over 400 owned properties, and an estimated replacement value which exceeds \$3 billion. **In FY 2024, NOAA requests an additional \$55.7 million to support maintenance and repair of its aging infrastructure and significantly improve facilities across the nation.** Each facility requires financial investments for maintenance, repairs, modernization, and even replacement to effectively sustain and evolve NOAA's science capabilities to support the current and future missions. NOAA proposes to significantly invest in facilities with an influx of funding to accompany the strategic priorities identified in the upcoming Facilities Strategic Plan.

Summary

NOAA is working hand-in-hand with partners locally and sharing best practices globally. People know they can turn to NOAA for reliable climate and extreme weather information to help make informed decisions that help save lives and livelihoods. With increased funding in FY 2024, NOAA will ensure continuity from legacy systems while providing significant improvements in data and products and continue investments aligned with our strategic vision. In doing so, it ensures that NOAA will continue to deploy the full breadth of its integrated services and capabilities necessary to ensure a climate-ready nation.

QUESTIONS SUBMITTED FOR THE RECORD TO JAINEY BAVISHI, ASSISTANT SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE AND DEPUTY NOAA ADMINISTRATOR

Questions Submitted by Representative Bentz

I had extended an invitation to Congressman Chris Smith to participate at our hearing. Unfortunately, he was not able to participate, but passed along the following questions:

Question 1. I've read BOEM's radar interference analysis from August 2020 which conceded that "future offshore wind energy installations on the Atlantic coast may impact land-based radar systems . . ." We've recently learned that the armed forces of Finland now opposes building wind farms over defense concerns including interference with radar noting that the distance between a wind turbine and a radar installation must be at least 40 kilometers or about 25 miles. I represent several military installations in my district—including Naval Weapons Station Earle, which supplies munitions for all Atlantic Fleet Carrier and Expeditionary Strike Groups. Our ocean is filled with military and civilian vessels that may be significantly put at risk by radar malfunction caused by ocean wind turbines. A 2022 study by the National Academies of Sciences, Engineering and Medicine determined that "wind turbine generator returns obfuscate the Marine Vessel Radar picture for both magnetron-based and solid-state radar, thereby affecting navigation decision-making . . . Wind Turbine Generators lead to interference in Marine Vessel Radar . . . and will frequently lead to the unintended consequence of suppressing detection of small targets" boats, buoys or creating misleading images on radar screens. Ominously, the study found that "wind turbine generator mitigation techniques have not been substantially investigated, implemented, matured, or deployed." Will 3400 wind turbines deployed off our coast make navigation less safe?

Answer. The impact of 3,400 offshore wind (OSW) energy turbines deployed off the coast to marine navigation depends on a number of factors including how well instrumented those OSW developments are, how effectively those instruments' data are communicated to mariners, how well marked audio-visually and with radar reference buoys the turbines are, and how well they are depicted on nautical charts. These are all factors which can and are being addressed by collaboration between agencies such as BOEM, the U.S. Coast Guard (USCG), DOD, and NOAA. There are also technology-based and non-technology-based mitigation measures currently employed to reduce impacts on marine vessel radars, such as greater use of automatic identification systems (AIS) and electronic charting systems, signature-enhancing reflectors, and tuning radars to appropriate modes when in or around

wind turbine generators (WTGs) and OSW Projects. These are in addition to other aids to navigation such as foghorns and navigation lights being used to mark WTGs for vessel safety. Each lease has a signal and lighting plan as part of the construction and operation plan.

NOAA is working with USCG and OSW developers to communicate construction activities to mariners to mitigate risk. This is done through weekly coordination meetings, USCG Local Notice to Mariners and Broadcast Notice to Mariners, and Caution Areas on NOAA's nautical charts, as well as charting the turbine locations ahead of construction. These tools, when used in concert with one another, provide mariners with weekly updates of where to expect construction.

Further, regarding wind turbine radar interference mitigation (WTRIM), technologies like radar beacons and mitigation techniques such as those suggested by that 2022 National Academies study like "deployment of reference buoys adjacent to wind farms to provide mariners a reference target to appropriately adjust marine vessel radar" may be required in these facilities' Construction and Operations Plans approved by BOEM. NOAA, along with other Federal agencies including BOEM and the Dept. of Defense (DOD), are members of the Federal WTRIM Working Group, which is coordinating activities across agencies including developing and facilitating the deployment of hardware and software mitigation measures to increase the resilience of existing radar systems to wind turbines. Accordingly, questions about military radar can be directed to the Federal WTRIM Working Group's DOD lead [contact: Steve Sample (steven.j.sample4.civ@mail.mil), Executive Director, Military Aviation & Installation Assurance Siting Clearinghouse, Office of the Assistant Secretary of Defense (Energy, Installations, & Environment)].

NOAA works closely with BOEM through the National Telecommunications and Information Administration (NTIA) to gather wind turbine project information (turbine locations and heights). NOAA conducts analyses to determine the impacts to the NEXRAD weather radar, and works with industry on mitigation strategies such as changes in turbine heights, relocation of turbines, or a curtailment agreement.

Question 2. Several weeks ago, BOEM, NOAA Fisheries, and the Responsible Offshore Development Alliance issued a report that claims, "Physical changes associated with (offshore wind) developments will affect the marine environment—and, subsequently, the species that live there—to varying degrees. These include construction and operation noise and vibration, electromagnetic fields, and thermal radiation from cables, as well as secondary gear entanglement." This statement seems to conflict with other statements of NOAA and the Biden Administration used to dismiss claims that offshore wind industrialization may be contributing to marine mammal deaths by interfering with their hearing. Given that no project of such magnitude has ever been constructed on the US East Coast as those off the coast of New Jersey, how can NOAA be sure of the practical effect of 3,400 wind turbines on the marine environment?

Answer. The March 2023 "Fisheries and Offshore Wind Interactions: Synthesis of Science" report was developed from a 2020 workshop to identify future research priorities in consideration of offshore wind development, focusing primarily on fish and fisheries science and management. The report synthesizes the current state of understanding and research priorities based on anticipated offshore wind in the United States. The types of impacts identified in the report are consistent with the effects considered through the environmental and regulatory reviews required prior to finalization of an Environmental Impact Statement under NEPA and prior to BOEM's decision on approving a Construction and Operation Plan (COP) for any offshore wind proposed project.

NOAA provides extensive input and analysis during BOEM's environmental review process for potential leasing, and construction and operation approvals. To date, BOEM has approved two Construction and Operations Plans (COP); those projects, Vineyard Wind 1 (offshore Massachusetts) and South Fork Wind (offshore New York), are currently under construction. BOEM is actively processing additional plans and recently issued Records of Decision for an additional two projects (Ocean Wind 1 and Revolution Wind), and others with environmental impact statements underway.

At this point, there is no scientific evidence that noise resulting from offshore wind site characterization surveys could potentially cause mortality or serious injury of whales. There are no known links between recent large whale mortalities and ongoing offshore wind surveys.

NOAA Fisheries carefully considers possible impacts to marine mammal species when analyzing requested marine mammal incidental take authorizations. NOAA maintains a list of all active and in-progress incidental take authorizations and associated documents, including those related to offshore wind. Details and mitigations are included in the relevant documents for each active and proposed authorization. NOAA Fisheries does not anticipate and has not authorized—or proposed to authorize—mortality or serious injury of whales for any wind-related actions.

Question 3. In terms of offshore wind development and fisheries, it has often appeared that BOEM and NOAA Fisheries are not effectively working together. How can NOAA fisheries improve its coordination with BOEM, commercial and recreational fishing communities, and regional councils? I'm specifically curious about where NOAA can require OSW developers to share data with fisheries managers and scientists and multi factor bidding which potentially can encourage restoration and research efforts.

Answer. BOEM is the lead federal agency responsible for offshore energy exploration and development in the United States. NOAA Fisheries, in coordination with NOS NCCOS, helps support responsible OSW development by consulting with BOEM and other federal agencies to meet the requirements of the Marine Mammal Protection Act, Endangered Species Act, Magnuson-Stevens Act, Fish and Wildlife Coordination Act, and the National Environmental Policy Act. NMFS also serves as an adopting agency under NEPA for our MMPA authorizations.

BOEM and NOAA are collaborating in several priority areas related to offshore wind development. For example:

1. In January 2022, NOAA and BOEM signed a Memorandum of Understanding to work collaboratively to meet the Administration's offshore wind development goals in a responsible manner.
2. BOEM has tapped the marine spatial planning expertise of the National Ocean Service's National Centers for Coastal Ocean Science to inform its siting decision-making.
3. In addition, NOAA Fisheries and BOEM released a joint draft strategy to protect and promote the recovery of North Atlantic right whales while responsibly developing offshore wind energy in October 2022. We are working with BOEM to address comments we received and to finalize the strategy later this year.
4. In December 2022, we finalized a joint BOEM/NMFS Federal Survey Mitigation Strategy to guide the development and implementation of a program to mitigate impacts of wind energy development on scientific surveys in the Northeast. NOAA Fisheries' surveys are essential for collecting the data necessary to inform the sustainable management of our nation's fisheries, recovery of protected resources, conservation of habitats and ecosystems, and understanding the impacts of climate change. We have begun to implement that strategy with BOEM in the Northeast and are beginning similar efforts in other regions.

NOAA has no authority over the administration of the multi-factor bidding process that BOEM establishes during the sale of offshore wind leases.

Similarly, NOAA has little direct authority to require developers to share monitoring data, except any monitoring that NOAA may require of developers under Marine Mammal Protection Act authorizations. NOAA notes that BOEM has required the submittal of monitoring reports to NOAA as terms of approval for projects approved to date and that monitoring plans submitted by lessees as part of their Construction and Operations Plans include information on how data will be shared with the public as well as state and Federal Partners.

NOAA appreciates and coordinates with BOEM on their different efforts to strengthen coordination with fishery stakeholders in their role as lead federal agency for offshore wind development. We do this by working with them during regular briefings to fishery management councils, participating in regional task force meetings, and providing technical assistance on understanding the impacts of offshore wind on fishing communities.

Questions Submitted by Representative González-Colón

Question 1. During our Subcommittee hearing, you mentioned that NOAA is developing a transition plan and a timeline to address the new provisions of the reauthorized Coral Reef Conservation Act. Could you share additional information about these efforts, including a projected timeline of when NOAA expects to finalize this transition plan and begin implementing the new provisions?

Answer. NOAA's Coral Reef Conservation Program has finalized the development of a transition plan to outline near- and longer-term actions necessary to fully implement the reauthorized CRCA, many of which are underway. Efforts currently underway include:

1. Developing the new National Coral Reef Resilience Strategy in consultation with partners;
2. Consulting with federal, state and territorial partners to identify individual coral reefs and ecologically significant units of coral reefs for coral reef stewardship partnerships;
3. Developing an adjudication process for coral reef stewardship partnerships to ensure no geographic overlap among partnerships;
4. Consulting with federal, state and territorial partners on establishing priority conservation and restoration areas within their jurisdictions;
5. Defining exigent circumstances and having discussions with the National Fish and Wildlife Foundation to carryout the emergency response and disaster recovery provisions of the reauthorized CRCA;
6. Establishing a programmatic structure to administer new block grants and cooperative agreements; and,
7. Initiating the process to identify reef research centers which will inform the competition and selection of two new Reef Research Coordination Institutes.

The components of the plan have timelines in accordance with the statutory deadlines as well as other mandatory prerequisite requirements that must be met prior to meeting several statutory deadlines. Some new provisions have been implemented, some are underway, and some are planned for implementation in the near future, after completing the prerequisites. NOAA is committed to working with Congress to ensure the timely and successful implementation of the reauthorized Coral Reef Conservation Act.

Question 2. I note that NOAA's Fiscal Year 2024 budget request includes over \$3.6 million to improve fisheries science and management efforts in the U.S. Pacific and Caribbean territories. Could you elaborate on the work that would be carried out with this proposed funding and how it would help improve fisheries management in the U.S. territories? I know this has been a long-standing issue in Puerto Rico and the U.S. Virgin Islands, where our fisheries are considered "data poor."

Answer. The NOAA budget request includes \$1.2M in additional resources for the historically under-served U.S. Caribbean to improve estimates of fishing removals, obtain representative samples of age and length of the catch, and develop fisheries independent surveys for priority species (e.g. lobster, conch, reef fishes). Increased resources in the U.S. Caribbean would allow NOAA Fisheries to advance fisheries management by establishing systematic partnerships with Territorial agencies and by promoting cooperative research efforts to develop and conduct statistically-sound data collection and fisheries resource surveys. These funds will provide immediate benefits to the Territories by enabling the use of data-limited stock assessment techniques for an increased number of species and by facilitating the evaluation of management options (e.g. seasonal or area-based harvest limitations, gear modifications, or quota requirements). NOAA Fisheries Southeast Fisheries Science Center proposes to accomplish these objectives through extensive capacity building and engagement with local fishing communities and universities. This cooperative approach is cost-effective, and will ensure that Territorial scientists, managers and communities are able to participate as effective partners in the management of their local marine resources.

The Pacific Islands region (PIR) shares the same concerns as Puerto Rico and USVI on the data poor situation of their fisheries. The NOAA budget request includes \$2.5M to improve the data poor situation by upgrading the fishery dependent data collection and establishing other data sources in the Pacific Island territories. Funds will be used to build capacity of NOAA Fisheries in American Samoa, Guam and the Commonwealth of Northern Mariana Islands to coordinate data collection improvement efforts including a review and certification of the existing

Territorial creel survey, enhancing life history research, implementation of electronic reporting to support the territorial agencies' efforts on mandatory reporting, and implementation of small boat fishery-independent surveys. The Pacific Islands Fisheries Science Center also plans to enhance stakeholder engagement to incorporate their input in the science development process. This will increase the equity of underserved communities through multiple points of consultation and feedback prior to reaching fishery management decisions that affect their livelihoods. All these activities will contribute to the improvements in data products and community engagement, which will enhance stock assessments and allow for better informed and more inclusive decision making.

Question 3. The latest Fisheries of the United States reports lack certain data for Puerto Rico, particularly when compared to the 50 States. For instance, the 2020 report does not include data on recreational trips and catch for the Island (see page 15). It similarly excludes landings by U.S.-flag vessels at Puerto Rico from the U.S. domestic landings regional- and state-level data table (see page 10).

What efforts, if any, is NOAA pursuing to collect, publish, and report commercial and recreational fisheries data—including information on trips and landings—for Puerto Rico in the same manner such information is collected, published, and reported for the several States?

Answer. NOAA's Southeast Fisheries Science Center (SEFSC) spends about \$360K/yr to support a number of efforts to improve commercial statistics, including annual support for the Puerto Rico Department of Natural and Environmental Resources to facilitate timely entry of commercial logbook data, and a pilot study to improve annual estimates of commercial landings in Puerto Rico.

With regards to recreational statistics:

1. NOAA Fisheries' Marine Recreational Information Program (MRIP) develops statistics on recreational fishing catch and effort via two methods. For the Atlantic and eastern Gulf of Mexico regions, and Hawaii, we carry out a two-part survey with support from State partners. In the remaining coastal states and Western Pacific Territories, the States and Territories conduct the surveys, and provide their effort and catch estimates to NOAA.
2. The MRIP-conducted surveys include a mail survey to develop estimates of the number of fishing trips and a shoreside intercept survey to estimate catch per trip. The statistical design of the mail survey requires a complete, unbiased list of residential mailing addresses for the States in which it is conducted. Commercial survey vendors provide addresses for use as sample frames. To our knowledge, there are currently no vendors that provide this service in Puerto Rico, and therefore we have been unable to generate recreational catch estimates for the Commonwealth.
3. MRIP has established seven Regional Implementation Teams to identify regional recreational catch statistical needs and priorities. The Caribbean MRIP Regional Implementation Team is currently working toward developing workable alternative survey designs for both Puerto Rico and the U.S. Virgin Islands that can generate reliable catch statistics with available tools. NOAA believes it is possible for the team to complete this effort in 2023. Once feasible and statistically sound designs have been identified, NOAA Fisheries will work with regional partners to assemble the necessary resources and commence recreational effort and catch data collection in both Territories.

We also note that sampling for recreational fisheries monitoring was suspended in Puerto Rico following Hurricanes Irma and Maria in late 2017. (At that time a privately maintained address directory was utilized for the effort survey, but that directory is no longer maintained.) Data collection could not be continued due to the widespread damage to fishing access sites as well as other critical infrastructure (roads, telephone and electrical utilities, mail service) that is needed to conduct statistically valid sampling. In the years following the storms, NOAA Fisheries has partnered with the Caribbean Territories, in particular the Puerto Rico Department of Natural and Environmental Resources, the USVI Department of Planning and Natural Resources Division of Fish and Wildlife, and scientific consulting firms, to rebuild fishing site registers and to pilot recreational and commercial port sampling. This work will be evaluated by the MRIP Caribbean Regional Implementation Team as it develops its recommended future data collection design for the region. We expect that, ultimately, this effort would be included in a comprehensive port sampling program in each Caribbean Territory that includes commercial, for-hire, and recreational fisheries. Further, the regional partners have identified the need for a fishery-dependent data governance structure as a priority need, and are

exploring options including establishing a Caribbean regional Fishery Information Network (FIN) or enhancing Caribbean partner participation in an existing FIN.

Question 4. Could you provide an update on the status of NOAA's efforts to expand the Economics: National Ocean Watch (ENOW) dataset to include Puerto Rico and the rest of the U.S. territories?

Answer. NOAA has completed Year 2 of the 3-year long project to develop the ENOW dataset for all five U.S. Territories. NOAA has conducted outreach through six bimonthly calls with groups of stakeholders in both the Caribbean and Pacific; held two data workshops (all virtual) in each of the five Territories/Commonwealths and shared workshop reports; held over 60 one-on-one calls with key stakeholders; requested and received Census data for each of the five Territories/Commonwealths and developed draft ENOW equivalent datasets for all five Territories/Commonwealths. In the past year, NOAA also held calls with each Territory statistical agency and identified staff who have agreed to serve as a central point of contact to provide information to enable regular updates to the initial dataset.

Over the next nine months, NOAA will incorporate the ENOW data for the five U.S. Territories into the ENOW Explorer tool, develop an operations plan to guide future data acquisitions, and hold in person workshops for each of the five Territories to present final results.

Question 5. On September 8, 2022, NOAA Fisheries published a proposed rule to list the queen conch as a threatened species under the Endangered Species Act (ESA). When does NOAA expect to finalize this rule? What sort of engagement has NOAA conducted with relevant stakeholders in Puerto Rico, particularly commercial fishermen and resource managers?

Answer. Final determinations on listing status under the ESA are generally made within 1 year of the proposed listing. The proposed rule was published on September 8, 2022. We anticipate the final determination to be published in the Federal Register by approximately September 8, 2023.

To engage with stakeholders and solicit information to support our assessment, we opened a public comment period for 60 days after publishing the positive 90 day finding on a petition to list queen conch under the ESA. A second public comment period was opened after we announced the initiation of the status review on the species. The status review was used to inform our proposed listing. NMFS staff attended and discussed the status review at the Western Central Atlantic Fishery Commission (WECAFC) meeting in Puerto Rico in December 2019, including notifying members of the opportunity for public comment. We directly contacted and solicited information from numerous published scientific experts on conch fisheries biology. The status review team included 7 science and policy experts from NMFS, who used the best available scientific and commercial information, including public comments received, to inform the population status and extinction risk of the species. The status review team also contacted relevant stakeholders, including fishermen and resource managers, to obtain the most accurate information possible. Prior to completion, the status review was peer reviewed by 3 leading experts in the field.

Upon completion of the status review, we published a proposed rule to list the queen conch as threatened, which included a 60-day public comment period (87 FR 55200, September 8, 2022). To facilitate public participation, the proposed rule was available online and comments were accepted via standard mail, oral comment at the public hearing, and through the Federal eRulemaking portal. We provided English, Spanish, French, Dutch, and Creole versions of the proposed rule, as well as English and Spanish versions of Frequently Asked Questions on our website. In response to requests to extend the public comment period, we re-opened the public comment period for an additional 35 days (87 FR 67853; November 10, 2022), for a total comment period of 95 days.

We also announced a virtual public hearing to allow for oral comments to be presented. All individuals who formally or informally requested the public hearing along with representatives from over 30 State, Federal, and international organizations were contacted multiple times via email prior to the public hearing to maximize participation. We directly contacted and solicited comments from a variety of stakeholder groups and fisheries management organizations through avenues such as the Convention on International Trade in Endangered Species (CITES), WECAFC, the Caribbean Regional Fisheries Mechanism (CRFM), the Caribbean Fishery Management Council (CFMC), State/Territorial partners, over 6,000 subscribers to our Fishery Bulletin, and others.

We requested assistance from the U.S. Department of State to ensure notice was given to and relevant information received from nations within the range of the queen conch. On November 21, 2022, we hosted a virtual public hearing on the Webex platform. The public hearing featured live Spanish-language interpretation services and closed captioning translation options for English, French, German, Spanish, and Italian. We presented updates on the proposed rule to the CFMC at multiple Council meetings and attended the public comment sessions. All official public comments received will be considered and responded to in our final determination.

Question 6. In late 2020, NOAA Fisheries proposed to designate critical habitat for five species of threatened corals in waters off the coasts of southeastern Florida, Puerto Rico, the U.S. Virgin Islands, and Navassa Island. Similarly, in October 2022, NOAA Fisheries proposed to designate critical habitat for the Nassau Grouper in waters off these jurisdictions.

What is the status of these efforts? When does NOAA expect to finalize and implement the critical habitat designations for these species?

Answer. NMFS has considered the public comments submitted on the proposed rule (85 FR 76302) to designate critical habitat for five species of threatened corals and developed a draft final rule. The final rule was accepted by the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) on May 9, 2023, to conduct final interagency review. The interagency review process concluded on July 26, 2023, and the final rule was published in the Federal Register on August 9, 2023.

The proposed rule (87 FR 62930) to designate critical habitat for Nassau grouper was published on October 17, 2022. We are in the process of reviewing and responding to public comments, and anticipate publication of a final determination during the last quarter of 2023.

Questions Submitted by Representative Luna

Question 1. It has come to our attention from some stakeholders that the federal regional fishery management councils (RFMCs) are unbalanced when it comes to the proportion of commercial fishery sector council members in both the Gulf and South Atlantic. The need for more commercial representation on both these RFMCs was noted in the NOAA 2022 report to Congress on RFMCs.

How will the Administration ensure that these two RFMCs are balanced, and that consumer access to marine resources through the actions of some is preserved?

Answer. The Magnuson-Stevens Fishery Conservation and Management Act (MSA) requires the Secretary of Commerce to appoint "individuals who, by reason of their occupational or other experience, scientific expertise, or training, are knowledgeable regarding the conservation and management, or the commercial or recreational harvest, of the fishery resources." In addition, the Secretary must "to the extent practicable, ensure a fair and balanced apportionment . . . of the active participants . . . in the commercial and recreational fisheries under the jurisdiction of the Council." Council members are selected by the Secretary of Commerce from lists of nominees submitted by Governors of the constituent states, pursuant to section 302(b)(2)(C) of the MSA. NOAA Fisheries continues to place emphasis on recommending individuals whose experience spans sectors for a well-rounded perspective.

Questions Submitted by Representative Sablan

Question 1. Last December, the Shark Fin Sales Elimination Act was enacted following passage by the 117th Congress. This new law prohibits the commercial trade of shark fins or products containing shark fins, thereby removing the United States from the international shark fin market. Congress demonstrated significant bipartisan support for this policy on multiple occasions. The House passed the Shark Fin Sales Elimination Act by a vote of 310–107 in the 116th Congress. In the 117th Congress, both chambers passed the legislation twice: the Senate as part of the U.S. Innovation and Competition Act, following a 23–5 Commerce Committee vote to add the legislation as an amendment during markup, and the House as part of the underlying text of the America COMPETES Act. Then, a modified version of the Shark Fin Sales Elimination Act was included in the 2022 defense authorization bill, which both chambers passed in December 2022. When do you expect to issue regulations for implementing the Shark Fin Sales Elimination Act?

Answer. The Shark Fin Sales Elimination Act imposed clear requirements, and thus implementing regulations may not be necessary. NOAA Fisheries is still exploring if there are any areas where regulations would be useful to clarify how we plan on implementing the Act.

Question 2. Will NOAA apply the ban to shark fin transactions that occur wholly intrastate?

Answer. Yes. Pursuant to the Act, the ban on possession and sale of shark fins applies to all transactions whether they are interstate or intrastate.

Question 3. Could NOAA receive the penalties from Shark Fin Sales Elimination Act violations as funding and use it to enforce the Act?

Answer. Yes. NOAA may apply sums received as fines, penalties, and forfeitures of property for violations of any marine resource law enforced by the Secretary to expenses directly related to investigations and enforcement, pursuant to 16 U.S.C. § 311(e)(1).

Questions Submitted by Representative Levin

Question 1. The San Juan Creek Watershed Project proposed by the Santa Margarita Water District would construct inflatable rubber dams to divert, capture, and infiltrate storm flows in the San Juan Groundwater Basin. The goal of the Project is to enhance capture and reuse of stormwater in San Juan Creek, improve water quality in the San Juan Creek Watershed, as well as increase regional water supply reliability by recharging the Basin and providing up to 2,000 acre-feet per year of potable water. I understand that Santa Margarita staff has worked with National Marine Fisheries Service (NMFS) staff on adequate mitigation for this effort, including potential restoration work on the nearby San Mateo Creek, a key habitat for steelhead trout. I support the goals of the inflatable dam project and want to help the District accomplish its objectives of promoting regional water security by recharging underground aquifers in an environmentally- and financially-responsible manner. Can you commit to working in good faith with Santa Margarita Water District and our office on reaching a fair outcome on this important project that will balance the important considerations of the Endangered Species Act with Southern California's regional water needs?

Answer. Yes.

Question 2. We are aware that the U.S. Bureau of Reclamation (BOR) and the District have developed this plan, and in 2017 NMFS provided a response to the Notice of Preparation, outlining the items BOR and the District will need to provide, should they request formal consultation. Has the U.S. Bureau of Reclamation (in consultation with Santa Margarita Water District) requested formal consultation from NMFS?

Answer. No.

Question 3. If not, what is the next step in the process?

Answer. The U.S. Bureau of Reclamation (Bureau) would send NMFS a draft Biological Assessment (BA) which would describe the proposed action and anticipated impacts to listed species and their designated critical habitat before submitting a request for formal consultation under Section 7 of the ESA.

Question 4. What information and documents need to be submitted to NMFS in order to identify mitigation opportunities and move forward with this project?

Answer. The Bureau has not yet provided NMFS with the required information for us to answer this question. The first step would be for the Bureau to provide us with a draft BA (see response to question 3, above).

Question 5. At what point in the process does NMFS consider proposed mitigation measures and provide feedback to BOR and the District?

Answer. NMFS would consider and provide feedback on proposed mitigation measures after the Bureau provides all required information for beginning the formal consultation and after NMFS assesses that information, particularly in regard to expected effects of the Bureau's action on endangered steelhead.

Question 6. Is NMFS staff willing to coordinate a site visit with Santa Margarita Water District?

Answer. NMFS would be pleased to participate in a visit to the action area and recommends that the Santa Margarita Water District reach out about scheduling a visit.

Question 7. To what extent has NMFS headquarters staff been involved in the review of the San Juan Creek Watershed Project?

Answer. They have not been involved. Any consultation with the Bureau on this project has been delegated to the NMFS' West Coast Region to conduct.

Question 8. How does NMFS prioritize recovery and mitigation efforts? Does NMFS generally consider offsite mitigation a suitable approach?

Answer. NMFS recovery priorities for endangered southern California steelhead are described in the 2012 Recovery Plan (Plan). This Plan serves as a guideline for achieving recovery goals by describing the criteria by which NMFS would measure species recovery, the strategy to achieve recovery, and the recommended recovery actions necessary to achieve viable populations of steelhead within the Southern California Steelhead Recovery Planning Area. The 2023 5-year status review for the species serves as additional information, which informs NMFS' understanding of the species current populations when prioritizing recovery efforts. Offsite mitigation may be considered on a case-by-case basis.

Mr. BENTZ. I thank the witnesses for their testimony. Before we begin Member questioning, I will note that Mr. Sam Rauch, Deputy Assistant Administrator for Regulatory Programs, the National Marine Fisheries Service, will be joining and has joined Deputy Administrator Bavishi for questioning.

I will now recognize Members for questions, and we will begin with Congresswoman Radewagen for 5 minutes.

Mrs. RADEWAGEN. Thank you, Chairman Bentz, Ranking Member Huffman, and thank you to the witnesses.

Deputy Administrator Bavishi, American Samoa is happily hosting the NOAA ship Rainier this summer, which is our winter, and NOAA does a lot for the coral reefs and the marine environment in my home of American Samoa.

But having said that, I wrote to the Administration on March 23. I wrote the President, the Secretary of Commerce, and the Secretary of the Interior about the need to consult with the Pacific territories more closely on its proposal to create a new national marine sanctuary in the Pacific.

I want to thank the Administration for listening to my request and our governor's concern on this by scheduling several NOAA outreach meetings with the public in Guam, CNMI, and in American Samoa on this issue, so that all stakeholders in those governments and their affected fishing industries can be heard.

I also want to submit for the record a letter by all three Pacific territorial governors in which they raised their concerns to the President regarding this proposed new sanctuary.

Mr. BENTZ. Without objection.

[The information follows:]



March 27, 2023

Hon. Joseph R. Biden
 President of the United States of America
 The White House
 1600 Pennsylvania Avenue NW
 Washington, DC 20500

Dear Mr. President:

We, the duly elected Governors of the Territories of American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands, request to meet with you at your earliest convenience. We are alarmed and concerned over the prospect of expanding potential fishery closures through designating a marine sanctuary within the full U.S. economic exclusive zones (EEZs) of the Pacific Remote Island Areas which already include a Marine National Monument.

Further closures of waters around U.S. Pacific Islands would be devastating to the local tuna economy of American Samoa and deprive our Pacific Territories of economic development opportunities into the future. Fisheries are the leading source of economic development that binds us to our neighboring Pacific Island nations. Further closures would be in direct conflict with your Administration's Indo-Pacific Economic Framework and be counter to principles of Equity and Environmental Justice as outlined in Executive Orders 13984 and 14008. Our already disadvantaged and marginalized communities carry a disproportionate burden for meeting national conservation goals. We do not believe taking further action to fully close waters around the Pacific Remote Island Areas are necessary to fulfill the aspirations of your 'America the Beautiful' Initiative.

Thank you for taking time to have informal discussions earlier this year when you hosted us for dinner at the White House. We request further consultation on this matter before any decision is made, because our communities and constituents inhabit islands in proximity to the Pacific Remote Island Areas. Please have your staff reach out to us and arrange a meeting, either in-person or virtual.

Sincerely,

Hon. Lemanu Peleti Mauga
 Governor, American Samoa

Hon. Lourdes Leon Guerrero
 Governor, Guam

Hon. Arnold Palacios
 Governor, Commonwealth of the
 Northern Mariana Islands

Mrs. RADEWAGEN. I just hope the Administration truly listens to the needs that American Samoa has, and the devastating effects that a total fishing ban would have on our cannery and the 75 percent of our exports that depend on it.

With growing Chinese influence in the Pacific region, the United States must remain focused on countering the PRC attempts to unduly disrupt U.S. territories and the Freely Associated States, both economically and militarily.

My question, Deputy Administrator Bavishi, in addition to the listening sessions in the Pacific territories NOAA has set, I understand the public comment period closes June 2, and my comment

is simple: We need some fishing days in the area for our cannery to sustain our island way of life. Could you please provide our stakeholders with an outline and timeline for the NOAA review process on the proposed new sanctuary after that June 2 date?

Ms. BAVISHI. Thank you for the question, Congresswoman, and thank you for the acknowledgment of the public listening sessions that are happening right now in the region. There is actually one scheduled in American Samoa tomorrow.

We will continue to accept comments, as you said, by mail and virtually, until June 2. After that we will be considering all the comments and input that we have received. And the timeline will really depend on the volume of comments that we receive from stakeholders through these listening sessions.

But I can assure you that the sanctuary process is one that considers public comment very seriously, and emphasizes public engagement. So, we are looking forward to continuing the engagement process and connecting with stakeholders.

Mrs. RADEWAGEN. And a special talofa to Sam.

Thank you, Deputy Administrator. Your testimony mentions NOAA's National Seafood Strategy to support our fishing industries by combating IUU fishing, and improving fisheries management through international negotiations, monitoring imports, and increasing enforcement capacity, but mentions nothing about food security through securing a domestic supply.

Could you elaborate on how NOAA is working on the SIDS, Small Island Developing State, designation for the flagged fishing fleet in American Samoa?

Ms. BAVISHI. Again, thank you for the question, Congresswoman.

We recognize that the characteristics of the fleet in American Samoa are similar to those of Small Island Developing States, so we are exploring this designation. We would be happy to follow up with you as we continue to explore this.

Mrs. RADEWAGEN. Thank you, Mr. Chairman. I yield back the balance of my time.

Mr. BENTZ. Thank you. The Chair recognizes Mr. Case for 5 minutes.

Mr. CASE. Thank you, Mr. Chair.

Ms. Williams, last year, in the Infrastructure Investment and Jobs Act, we, of course, authorized and directed historic investments in clean energy infrastructure. And a clear observation across the partisan spectrum, universal, was that we obviously needed to revisit how we actually permitted those projects. And I think everybody has some interest in fair alterations, we are certainly in disagreement on how to do it, so let's be under no illusions along those lines.

But the necessity of actually trying to accelerate these projects is in everybody's best interest. You have an interest in that. You have a responsibility in that, statutorily. And you have proposed, if I understand correctly, that those monies be utilized in part to allow you to modify, and streamline, and accelerate your own processes. Is that correct?

Ms. WILLIAMS. That is correct, Congressman.

Mr. CASE. OK. So, where exactly does that request to utilize the money to streamline, accelerate fairly your processes enter into

your budget? Where is it in your budget? And is that impacted at all by some of the proposed reductions in your budget proposed by the other side?

Ms. WILLIAMS. Thank you for that question, Congressman. And it is in two pieces in our budget request.

First, we have a legislative proposal which would provide for transfer authority from other Federal agencies to support what we call section 7 consultation. And that is the requirement under the Endangered Species Act that the Fish and Wildlife Service consult with the action agency to make sure the proposed actions don't jeopardize threatened or endangered species. So, there is the legislative request.

And then, very importantly, there is a request for an additional \$50.5 million for consultation so that the Fish and Wildlife Service does not become a bottleneck for those very important infrastructure projects to get through.

Mr. CASE. OK. And in that regard, of course, people have to do all of that, and I was concerned by your comment there in terms of basic capacity, which is basic people devoted to the job at hand.

Last year, of course, we saw a significant increase after a lot of years of not too many increases in FWS's budget, a lot of which was argued and agreed to on the basis of increased capacity. So, if we then went backward in time, I assume that that would come out of the actual increase in capacity so we would end up in a situation where, although we all acknowledge that we have to apply more capacity to processing approvals and consultations and the other things required by law, we wouldn't have the people to do it with. Is that an accurate way of looking at it?

Ms. WILLIAMS. Yes, Congressman. There is a direct correlation to our capacity to being able to process and streamline any consultation process for those important projects.

Mr. CASE. OK. Thank you very much.

And Ms. Bavishi, let me turn to the NOAA side of things for a second, and to the Western Pacific Fisheries Management Council in my backyard, who, of course, your own Department of Commerce Inspector General conducted an audit, found improper spending, asked WestPac to basically repay the money that was improperly spent. WestPac came back recently and said, "Well, we can repay it by forgiving it, or we can repay it by taking it out of some future appropriation." Neither of those seem to be a realistic approach to this.

We, members of this Committee, recently wrote to you and said that doesn't sound good enough, find some other solution to hold WestPac accountable for what is, obviously, clear violations, in my view, of at least understandings of how the law should be applied.

What is your response? I know you don't have a formal response, but how do you analyze this?

I mean, where can accountability be applied here?

If the repayments of Federal monies, public monies, are not carried out, then what accountability lies with WestPac?

Should the people in charge of making those decisions continue in the WestPac universe?

Ms. BAVISHI. Thank you for the question, Congressman. We received your letter to NOAA Administrator Dr. Rick Spinrad, and

are working on a detailed response, including right now we are having internal discussions with our general counsel. The letter that we will send back will include an offer to meet with the Committee to discuss these issues further.

Mr. CASE. Thank you very much.

Mr. BENTZ. The Chair recognizes Mr. LaMalfa for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman, I appreciate it. Thank you, panelists, again, for being with us here today.

I wanted to direct the questioning here on a couple of dam removal projects that have occurred up in the state of Washington that were ostensibly for salmon populations. And they had an issue there with sediment on those dams. And I bring this back to the proposal to do this to the Klamath Dams, that a high amount of sediment there affected the river negatively, at least for 3 years in that situation in Washington. And one of the differences here, these dams were less than 20 miles from the ocean, so there was at least the opportunity to have a much simpler ability to flush that sediment there, which was, I think, much higher than projected at the time of removal.

When we switch this back to the Klamath River, the goal, I guess, is that the salmon would be able to travel 200 miles with the dam reveal, notwithstanding some of the natural shelves that are there that are being looked past in this removal project. So, in this case we have the Klamath River, which has naturally a lower flow of warmer water. So, the idea is, and this is for Ms. Williams first.

Director Williams, why do we believe the salmon would thrive in this sort of environment from a warm lake, a warm river with a much higher amount of sediment having to spread a much farther distance than what was seen on the Glines Canyon and the Elwha Dam up north?

Ms. WILLIAMS. Congressman LaMalfa, thank you for that question, and I think it is one of the very privileged and fascinating topics that we get to work on.

And I remember visiting, for example, Elwha after the Elwha Dam was removed, and saw salmon return there. And how remarkable it is that, when you give nature a chance, it is able to heal itself in an incredible way. So, yes, indeed, you have asked that there are various ways in which salmon have been able to return when given the opportunity. So, that can be either close to the ocean as they come in, or farther in historically, when given the opportunity.

Mr. LAMALFA. I just wonder, though, how do you see success for such a longer distance when an already warmer water environment from the lake and in the river—if the dams are not there creating a cold water habitat, which they do with their depth. Certainly, that is why they have managed Shasta Dam the way they do presently. So, I am wondering how do you arrive at the conclusion that this is going to be a thriving situation for salmon?

Ms. WILLIAMS. Congressman LaMalfa, that is a conclusion that we reached in conjunction with other Federal agencies, with states, with tribes, and experts across the board, even within academia. In this instance, following the science, sir.

Mr. LAMALFA. Well, that doesn't really answer how that goes, but the situation with the lake is that last year, for example, we have different targets for what the lake elevation should be at the end of the season. And there is a biological opinion that has a lower number than the internal operating plan. And then there was an extra tack-on that was done at the end. So, it is hard to tell, are we managing for suckerfish in the lake, or are we managing for salmon in the river?

And in all this managing, even when there was extra water above the level called for at the end of the water season last year, the farmers could not tap into an extra approximately 30,000 acre-feet that could have helped them finish their crop year with potatoes that were the size of your pinky, and the suffering of those crops.

We were earlier in the conversation talking about where is our food going to come from, when we are devastating our food supply. So, what are we going to manage for? Is it going to be a deep lake for sucker or the water running down the river for salmon?

Ms. WILLIAMS. Congressman LaMalfa, the Klamath does provide, I believe, one of the most challenging situations we all encounter in an ever increasingly arid West. So, the Klamath, as you are so aware, has experienced extreme drought—

Mr. LAMALFA. We understand, though, that the Klamath Project was created over 100 years ago, and made available hundreds of thousands of acre-feet of water that was not available, didn't exist for the ability to run it down the river. And that project was created for agriculture solely, not a multi-purpose, multi-use. So, the Federal Government has gotten away for a long time with taking water that didn't exist, that wasn't for them, and has now just been usurped, that water right.

So, I would ask all of our panelists to take that thought back. Oregon courts have certainly upheld that. We just haven't fought through here yet.

Thank you, Mr. Chairman. I yield back.

Mr. BENTZ. Thank you. The Chair recognizes Mr. Magaziner for 5 minutes.

Mr. MAGAZINER. Thank you, Chairman, and thank you all for joining us today, and for your service.

The U.S. Fish and Wildlife Service and NOAA play an absolutely essential role in protecting our natural environment, protecting species, and supporting American industry and small business.

In my state, the Ocean State, Rhode Island, we understand the importance of fisheries to our local economy. We understand the importance of a clean environment to our local economy, to tourism, and hospitality, among many other industries. And we understand the importance of finding the right balance between supporting industry, protecting wildlife, protecting the natural environment for the long term. And that is why the work of your agencies is so important, and it is why we, as a Congress, should support your work.

So, I am glad that in the 117th Congress this body stood up and committed funding to your agencies to allow you to do your jobs, and it is why I am disturbed that in the current debt ceiling negotiations our colleagues across the other side of the aisle are

insisting on severe cuts across all categories of spending in exchange for, I guess, not purposely blowing up the economy, which is what they are threatening. So, I want to dig into that a little more.

I also want to note, by the way, another issue of importance to Rhode Island is the promise of offshore wind in meeting our energy goals and creating jobs, reducing emissions, and improving the quality of our natural environment. We have some experience with this in our state. We are the home of the first offshore wind farm in the United States. And I have seen projections that offshore wind has the capacity to power at least half of our state's electricity needs by the end of this decade. That is American energy independence, clean energy, and American jobs.

But, of course, it is important that offshore wind, like any infrastructure, be sited responsibly to minimize the impact on other affected industries and on the natural environment. NOAA has a vital role to play in making sure that these projects move forward in a way that is responsible and impactful. And gutting the ability of NOAA to do its job, to perform the environmental reviews, to perform the reviews on marine life is extremely counterproductive.

And I don't understand how, on the one hand, some of my colleagues on the other side of the aisle are very quick to fearmonger about offshore wind and its impact on the surrounding environment, but then at the same time are trying to de-fund the very agency that performs the reviews to ensure that we can do these projects in a way that minimizes the impact on local industries and marine life.

So, my question, Administrator, is if our colleagues across the aisle are successful in cutting agency budgets by 20 or 30 percent, which is what reverting to Fiscal 2022 levels would mean, what would the impact be on your ability to do your job to speed up the permitting process and to make sure that the permitting process is done in a thoughtful and fair way?

Ms. BAVISHI. Thank you for the question, Congressman. NOAA has a strong partnership with the Bureau of Ocean Energy Management, BOEM, to improve collaboration and processes surrounding the responsible siting of offshore wind. We both consult with BOEM through NEPA and ESA, and meet our own permitting requirements through the EPA and at a coordinated pace, and this is meant to complete environmental review of the FAST-41 offshore wind projects in 2 years.

We have been providing BOEM, other Federal agencies, states, tribes, other stakeholders with important information on fisheries operations, as well as the potential socioeconomic impacts of offshore wind projects on fishing communities.

So, just to answer your question more directly, the Fiscal Year 2024 President's request includes an additional \$39 million for a total of \$60 million to expand NOAA's capacity to engage in offshore wind planning, siting, environmental review, and permitting processes to minimize the impact on trust resources and constituencies.

These funds will also help NOAA establish a national program to mitigate the effects of planned offshore wind activities on scientific surveys.

And, finally, the funding will support improvements across regions, for example in the East Coast as projects enter construction, and also on the West Coast in the Gulf of Mexico as offshore wind leasing processes kick off.

Mr. MAGAZINER. I thank you, and it is very important that we fund you so that you have the ability to do this important work. I yield back.

Mr. BENTZ. Thank you. The Chair recognizes Congresswoman Hageman for 5 minutes.

Ms. HAGEMAN. Thank you.

A couple of months ago, we had the privilege of hearing from Mr. Brian Nesvik, who has almost 30 years of experience in fish and game management in a WWF Subcommittee hearing on my bill to de-list the greater Yellowstone grizzly bear. He testified that not only has the greater Yellowstone grizzly recovered far beyond the needed threshold, but they have expanded their range far beyond what is considered suitable by the Fish and Wildlife Service itself.

From 1990 to 2020, the area of occupied range of the grizzly has increased steadily at a rate of 4 percent per year. In 1990, only 230 square miles of private lands occurred within the grizzly bears occupied range; and by 2020, this range expanded to 4,600 square miles of private lands. This range is larger than Yellowstone and Grand Teton National Parks and the John D. Rockefeller Parkway combined.

In his testimony, Mr. Nesvik said that, “Their expansion in range into unsuitable habitats has created significant challenges for all states and agencies involved due to the ever increasing rise in human-bear conflicts potential.”

Director Williams, considering that the greater Yellowstone grizzly population has been fully recovered for over 20 years, and considering the growing threat to property owners, tourists, livestock owners, and recreationalists, will you support our effort to follow the science and finally de-list the greater Yellowstone grizzly from the Endangered Species Act? Yes or no.

Ms. WILLIAMS. Congresswoman Hageman, I will look forward to applying the Endangered Species Act.

Ms. HAGEMAN. That has been done. Do you support de-listing the grizzly bear?

Ms. WILLIAMS. Congresswoman Hageman, at the moment we have approved a finding for the state of Wyoming, and are undertaking a 12-month review process to address—

Ms. HAGEMAN. That has been done before.

Ms. WILLIAMS. That is required under the law that we do now. And I would add, as the previous Director of Montana Fish, Wildlife, and Parks, and I was Chair of the Interagency Grizzly Bear Committee, I have a tremendous relationship with Mr. Nesvik, have worked with him over the years—

Ms. HAGEMAN. That isn't my question. What I would really like to get back to is do you support de-listing the grizzly bear?

Ms. WILLIAMS. Congresswoman Hageman, I support de-listing the grizzly bear if it is able to meet all five factors of the Endangered Species Act—that includes adequate regulatory mechanisms, which Wyoming knows—

Ms. HAGEMAN. It already has. Then let's go on to my next question.

As we debated my bill to de-list the greater Yellowstone grizzly in Committee just a few weeks ago, I was surprised to learn that a common objection from the other side of the aisle was their perception of the inadequacy of Wyoming State management plan. When I responded by describing the success of Wyoming's management of the grizzly at the state level and the fact that we had invested \$59 million in protecting the grizzly bear, I wasn't met with any objection because, as it turns out, none of the folks on the other side had read the plan, and didn't know what they were objecting to.

So, my question for you is, Director Williams, what objections, if any, do you have to the Wyoming State management plan?

Ms. WILLIAMS. Congresswoman Hageman, that would be part of this 12-month review.

Ms. HAGEMAN. Well, do you have any objection to Wyoming's grizzly management plan?

I mean, it has been out there for quite some time. It has been available to you. I assume that you have reviewed it. Am I correct or am I incorrect?

Ms. WILLIAMS. You are correct. And there is a piece of the Wyoming management plan which I have discussed with Mr. Nesvik.

Ms. HAGEMAN. What do you object to in the Wyoming grizzly management plan?

Ms. WILLIAMS. Congresswoman Hageman, one of the things we will review, as required in the recovery plan for the greater Yellowstone ecosystem, is a recalibration issue for which we have been working closely with Wyoming and have a very strong working relationship with the state.

Ms. HAGEMAN. So, you don't have anything specific you can point to.

Ms. WILLIAMS. That is part of the reason for a review that is happening right now. So, I—

Ms. HAGEMAN. And isn't it true the Fish and Wildlife Service has previously approved the Wyoming grizzly management plan?

Ms. WILLIAMS. I am not aware of that. I am not aware, Congresswoman Hageman, of whether we approve or disapprove the grizzly bear management plan for the state of Wyoming. But we do work very closely with the state, and very much appreciate Wyoming's leadership.

Ms. HAGEMAN. When will the 12-month review be finished?

Ms. WILLIAMS. We are working on that, and I don't have a date certain.

Ms. HAGEMAN. Well, you have to have a date certain. So, then has it not started yet?

Ms. WILLIAMS. It has started—

Ms. HAGEMAN. So, then what would be 12 months from the date that it started?

Ms. WILLIAMS. Congresswoman Hageman, it is called a 12-month review.

Ms. HAGEMAN. Oh, but you don't meet the 12-month requirements of the Act. Is that your testimony?

Ms. WILLIAMS. Congresswoman Hageman, I did not say that. And it could be shorter or it could be longer to get this done correctly.

The point that I care about, coming from Montana, and along with you and Mr. Nesvik, is that we get this right, and that we have a defensible rule, going forward.

Ms. HAGEMAN. My time is expired, but thank you.

Mr. BENTZ. Thank you, and I now recognize Congresswoman González-Colón for 5 minutes.

Mrs. GONZÁLEZ-COLÓN. Thank you, Mr. Chairman. Good afternoon to the witnesses. I have several questions, so I will try to make it fast as I can.

The first question will be to the Deputy Administrator. Through the Fiscal Year 2023 National Defense Authorization Act, we reauthorized NOAA's Coral Reef Conservation Program, among other provisions. The legislation called for a new National Coral Reef Resilience Strategy in providing statutory authority to the U.S. Coral Reef Task Force. And it directed NOAA to provide block grants to states and territories to support coral reef management and restoration efforts.

I was proud to support and advocate for this long-overdue reauthorization, along with Senators Marco Rubio, Congressman Darren Soto, and a bipartisan and bicameral group of colleagues in that sense.

Could you provide an update on NOAA's efforts to implement the provisions of the recently-enacted reauthorization of the Coral Reef Conservation Program, and how the budget request, if all support is working?

Ms. BAVISHI. Thank you, Congresswoman, for the question.

NOAA is developing a transition plan and a timeline to address the new provisions in the reauthorized Coral Reef Conservation Act. We have begun drafting a new National Coral Reef Resilience Strategy, and are communicating with partners about involvement in drafting plans and reporting requirements.

There are several new activities in the reauthorized Act that will be carried out when appropriations are available to support them. In the meantime, we will provide technical assistance upon request to Federal reef managers as they draft coral reef action plans, and also support—

Mrs. GONZÁLEZ-COLÓN. Do you have an idea how long that action plan is going to take, or when we can see some clear action to that program?

Ms. BAVISHI. I don't have information on the timeline with me right now, but we would be happy to follow up.

Mrs. GONZÁLEZ-COLÓN. Please do.

The other question will be in the same Fiscal Year 2023 for the disaster relief supplemental bill that we approved and allocated \$29 million in supplemental funding for NOAA for expenses related to the 2022 hurricanes and natural disasters, including for marine debris assessment and removal.

Earlier this year, in another Subcommittee hearing, I submitted questions about the status of this funding. And in that response, NOAA informed us that it was currently working on finalizing the

spend plan. Do we have an update on that, or we are still waiting to have a spending plan?

Ms. BAVISHI. NOAA's Fiscal Year 2023 spend plan is currently in clearance, and once it is available, we would be happy to offer you a briefing and walk through it with you and your staff.

Mrs. GONZALEZ-COLÓN. Thank you. Administrator, thank you for being here.

We have five national wildlife refuges in Puerto Rico, more than 22,000 acres, including half of two islands, Vieques and Culebra. And 10 years ago, you used to have 28 employees on the island, and now just 10. My concern is that people are not able to visit many of those wildlife refuge centers because your lack of staff. So, what efforts is the Service currently pursuing to address staffing needs to improve visitation services in the national wildlife refuges in Puerto Rico?

Ms. WILLIAMS. Thank you for that question, Congresswoman González-Colón. I just want to say that I have had the privilege to visit these refuges twice now, especially after Hurricane Irma, to see the impact of the hurricane on Cabo Rojo and the visitor center and the flats there.

Your question goes directly to our budget request for increased capacity for our refuge system so that we can be adequately staffed. And the request is \$63 million above the Fiscal Year 2023 enacted level. But that is because our staff for the refuge system is 25 percent less than it was 20 years ago.

Mrs. GONZÁLEZ-COLÓN. A question. You know that the Cabo Rojo National Wildlife Refuge is home to the Cabo Rojo salt flats, a system of shallow and hypersaline lagoons that are considered the most important stopover for migratory birds in the eastern Caribbean. The salt flats are also an important economic asset for the southwestern part of the island, attracting thousands of visitors and supporting the local salt mining operation.

Due to the recent storms and seismic activity in the area, the coastal features, the mangroves, dunes, berms, among many others that protected the system has been compromised by erosion, resulting in extensive flooding to the salt flats. And this, in turn, has negatively impacted habitat quality for the viability of the local salt extraction activities.

I know the Service secured an initial \$1.2 million to implement the necessary restoration efforts, and then an additional \$5 million was provided by the National Fish and Wildlife Foundation through the America the Beautiful Challenge, which includes funding allocated to the Department of the Interior by Bipartisan Infrastructure Law.

So, this has been a long-standing priority for me and local stakeholders. So, I would love to know what efforts the Service is pursuing in partnership with local authorities to carry out this program.

Ms. WILLIAMS. Thank you for that question, Congresswoman. And as I said, I have visited there, a fascinating place where we are working very closely with the long-standing familial operator of those salt flats in developing our designs. We are 75 percent complete with the project design, working with the partners there.

And it is an example too, I think, of where the investment in this ecosystem restoration in nature-based solutions provides those benefits to the community for flooding and sea level rise.

So, I look forward to working with you to get this project done.

Mrs. GONZÁLEZ-COLÓN. Thank you. My time expired, but I will also have other questions for the record.

Thank you, Chairman. I yield back.

Mr. BENTZ. Thank you.

Congresswoman Luna, you are recognized for 5 minutes.

Mrs. LUNA. Thank you very much, and thank you, everyone, for coming to testify today.

Last month, NOAA published a proposed rule entitled, "To Establish a Vessel Speed Restriction and Other Vessel-Related Measures to Protect the Rice's Whale." This rule is going to have many adverse impacts on communities, port operations, and the economy in my district, as well as throughout the state of Florida. It includes a year-round 10-knot vessel speed restriction within the waters that are between 100 and 400 meters deep, stretching from Pensacola to Tampa. As you guys know, that is a massive portion of Florida.

It also requires an additional 10 kilometers in the areas known as vessel slowdown zones. Additional restrictions within the vessel slowdown zones include no vessel transits at night, a requirement that vessels transmitting through that zone must report their plans to National Marine Fisheries Service, utilize visual observers, and maintain a separation distance of 500 meters from Rice's whales, as well as use and operate automatic identification systems or notify NMFS of transit throughout the zone and report deviations from these requirements to NMFS.

Like all Floridians, I believe in protecting Florida's wildlife, especially our threatened and endangered species. But at the same time we need a common-sense solution to ensure that decisions like this proposed rule benefit both wildlife and the industries that operate within the Gulf of Mexico.

Unfortunately, this rule would have consequential impacts on the ability of recreational, commercial, and sports fishermen to conduct their businesses, and the impact is not small. In fact, maritime activities in the state of Florida account for about 13 percent of Florida's GDP and contribute \$4.2 billion in state and local taxes. Other industry impacts impacted by this proposed rule include Florida's 16 public seaports and American waterway operators that move cargo between ports in the Gulf of Mexico.

My question is for you, Ms. Bavishi. Did NOAA at any point contact stakeholders like these fishermen or waterway operators to discuss the impact this rule would have on their ability to do their work?

Ms. BAVISHI. Thank you for the question, Congresswoman.

I want to clarify that NOAA Fisheries is not proposing an additional vessel speed rule on the East Coast. What actually happened is that we received a petition from multiple NGOs for a rulemaking to establish a year-round 10-knot vessel speed limit and other vessel related mitigation measures in the area referred to by petitioners as Rice's whale core habitat in the Gulf of Mexico.

Mrs. LUNA. So, just to be clear, you are not proposing that.

Ms. BAVISHI. That is right. On April 7, we published a notice of receipt of this petition, and a request for public comments on the petition. This is different from a proposed rule. We will consider all these comments and available information when determining whether to accept the petition and proceed with rulemaking, and industry and anglers can provide public comments on the petition by July 6 of this year.

Mrs. LUNA. So, as of right now, just to be clear, for those that are interested, you will be open to seeing their positions. And then just kind of where are you at right now, are you waiting to get all of that before you guys decide on how you are going to proceed forward?

Ms. BAVISHI. That is correct.

Mrs. LUNA. OK. My next question is, just out of curiosity, are you aware of why those NGOs suggested the 10 knots? Why not 8 or 12, in regards to that speed limitation?

Ms. BAVISHI. I am going to pass it off to my colleague, Deputy Assistant Administrator Rauch, to answer that question.

Mrs. LUNA. OK.

Mr. RAUCH. Yes, thank you for that question, Congresswoman.

We have been exploring the interactions between whales and vessel speed for many years. We have a rule from 2008 that addresses vessel speed on the Atlantic seaboard, and it sets it at 10 knots because there is scientific information that indicates that a whale may be able to survive a strike if it is 10 knots or less, whereas if it is 10 knots or more, the whale is likely to be severely injured or die. So, that is why it is 10 knots, I presume. I don't—

Mrs. LUNA. But that is just proposed. It is not official yet. So, we can still have people write in if they have different—

Mr. RAUCH. Well, yes. I mean, I should clarify. I do not know why the NGOs chose that number. They have not talked with us about that. I am presuming they are basing it off of our Atlantic Seaboard Rule, which is 10 knots.

Mrs. LUNA. OK.

Mr. RAUCH. But absolutely, we will take all comments on that.

Mrs. LUNA. And just because we are short on time, my last question is for Director Williams.

A previous hearing discussed the Sand Key Beach Renourishment Project in my district, and the last update that I received was that USFWS received a request from the Army Corps of Engineers for a consultation on the Sand Key Project. Has that happened yet?

Ms. WILLIAMS. Thank you for that question, Congresswoman. Is this the project it was so nice to visit with you on the phone about?

Mrs. LUNA. Yes.

Ms. WILLIAMS. So, that has happened very quickly. I am glad to hear that. And we will respond immediately if we haven't already.

Mrs. LUNA. OK. All right. Thank you very much.

Chairman, I yield my time.

Mr. BENTZ. Thank you. The Chair recognizes Congressman Mast for 5 minutes.

Mr. MAST. Thank you, Mr. Chairman. Thank you for allowing me to sit on Committee with you all today. I come from T&I and Foreign Affairs, and I think at T&I we do more of drinking from

the hose. You guys have a lot better water here than we do. So, congratulations on that.

Mr. Rauch, I would like to speak to you a little bit about something I am sure you are familiar with, what is known as the Lake Okeechobee System Operating Manual, the project delivery team that National Marine Fisheries Service was a part of, and the recent formal consultation on the Corps of Engineers biological opinion that you all asked to submit, to put forward.

I think I can safely say that I represent every stakeholder and agency of which FWS was actively involved in this on the project delivery team meetings, and say everybody is pretty pissed off that this whole thing is delayed for months just because of National Marine Fisheries, when they basically didn't participate at all between 2019 and now. All of these meetings were online. They were available for people to participate in. Everybody had the ability to hear everybody else's opinions, what they were thinking about. NMFS didn't participate at all, and now you are working behind the scenes with the Army Corps of Engineers. Nobody else knows what in the world you all are talking about. So, I have a couple of questions that I think a number of stakeholders and agencies would probably like answers to.

No. 1 is this: Can you just give us an update on where NMFS is at in writing their biological opinion?

Mr. RAUCH. Thank you, Congressman. Yes, I can. I think we have committed to the Corps that we will have a biological opinion to them by June, next month. I think the Corps is now deciding whether or not they want to take that as draft or as final. If it is draft, obviously, it might be further delayed as we go back and forth with them. But I think we will be done with our work with the biological opinion that could be final in June.

Mr. MAST. Can you give us information on what you found in that? Because again, normally, if you were operating as a normal part of the project delivery team, you would be voicing this all to everybody in a public setting so everybody has comment, they can talk about, "Hey, is this what you found, can you answer about this, can you give us some information on where you are at with this," this shouldn't be secret.

Mr. RAUCH. I have not checked with the writing team as to what their conclusions are likely to be. As you may be aware, when an agency consults with us about their project, we either find that it is likely to jeopardize or not jeopardize the continued existence of the species. And if it is a no-jeopardy opinion, shorthand term, then we write a biological opinion that indicates that, that the project, as proposed, is not likely to jeopardize.

I do not know what the potential answer is at the moment. As I said, we still have a month left to go. But we will be consulting with them closely. And if it is anything other than that, we will be talking with the Corps about those actions.

Mr. MAST. To your knowledge, is NMFS looking to make changes to the Lake Okeechobee System Operating Manual, as has been put forward to this point and agreed upon by basically everybody?

Mr. RAUCH. At the moment, Congressman, we have not yet concluded our analysis. We still have a month to go on that. We are working through that to decide whether or not we would either

find that the Corps' actions are not likely to jeopardize the continued existence of the species, or if it is likely, what reasonable and prudent alternative we would come out with that would allow them to carry forward their actions and still preserve the species.

Mr. MAST. OK. In your comments you noted in the very beginning when you received an invitation to the project delivery team that, basically, you weren't going to participate until the very end. I consider that to not be an appropriate way for an agency to operate. It is essentially what your letter says here. I will submit it for the record, if there is not an objection to that.

And it says, "Due to staffing and travel constraints, our heavy involvement in several other U.S. Army Corps of Engineers Water Resource and Development Act and One Federal Decision projects, our participation may be limited to our review and comment on draft National Environmental Policy Act documents," and basically telegraphing that you weren't going to participate very much.

When COVID began, did you all start working from home?

Mr. RAUCH. Yes, Congressman, like many Federal agencies, we did try to work remotely where we could. Many of our—

Mr. MAST. Is there a reason your folks didn't start attending the project delivery team meetings, which were all remote?

Mr. RAUCH. Congressman, as I think the letter indicated, we have staffing resources. We have been struggling to keep up with the pace of infrastructure projects on the coast, this being one of them. It is in part why we have asked in the President's budget for additional resources so that we can better meet these needs and be more responsive. But we are struggling, or had been at the time, to keep up with all the various demands on our time.

Mr. MAST. I thank you. I thank the Chairman for indulging me to join the Committee.

Mr. BENTZ. Thank you. The Chair recognizes Congressman Duarte for 5 minutes.

Mr. DUARTE. Thank you, Mr. Chairman.

Ms. BAVISHI, we have seen the prioritization of fish restoration efforts in the San Joaquin Delta, particularly in California, over responsible management of water resources compounded year after year. We have seen water flushed through the delta to restore salmon runs. We have seen our aquifers depleted and our farm towns left barren, our farm workers left without work.

So, with this going on for 6 years, 1.4 trillion gallons of water is one calculation, I think, is at least reasonable, enough to sustain 6 million people for 6 years has been flushed out of the delta. What metric do you have to mark the success of the salmon restoration efforts with this expense of our most precious resource?

Do we have more salmon now than we did a decade ago?

Ms. BAVISHI. As climate change increases the frequency and intensity of drought conditions, we are committed to working with salmon co-managers and water users to develop science-based strategies to provide both short- and long-term protections for salmon.

I am going to pass it off to my colleague to talk more about—

Mr. DUARTE. It is simple, though. Do you have more salmon now than you did 10 years ago? Because you can't stop climate change by flushing our water out to the ocean. I can nearly guarantee you

that. Are these salmon restoration efforts causing us to have more salmon? Because we are devastating irrigated landscapes, we are devastating farm towns, we are devastating our economics.

I mean, the gentleman that you are about to pass it off to is asking for more money, more money, and more money. But we are destroying our rural economy. We are destroying hydroelectric power. We are destroying our irrigated landscapes and other habitats throughout the state, flushing water out to the ocean to restore salmon.

Simply, do we have more salmon now than we did 10 years ago?

Mr. RAUCH. Yes, thank you, Congressman. I think the short answer to that is we still have salmon. And we suffered through years of record-setting droughts. There are enormous challenges, as you well know. There is not enough water to go around for all the users there. It is a very important agricultural area, very important to the people in your district and elsewhere in California. There are a lot of demands on the water, and we have been trying to balance all of those demands.

I do not believe we have more salmon than we did 10 years ago, but we still have salmon, which is the testament to success of our restoration activities.

Mr. DUARTE. So, at the southern end of their natural habitat, during climate change, which is beyond our control in many ways, we will do what it takes, including devastating our agricultural economy, devastating rural communities, devastating irrigated landscapes, and devastating our aquifers so that we can maintain some semblance of a salmon population, even if restoration of historic salmon runs is completely out of reach.

Mr. RAUCH. We do not believe that it is out of reach. It will take some time to restore salmon to the state that they were in. We do try to balance all the uses, and there is a—

Mr. DUARTE. Thank you. I will go to Ms. Williams.

Ms. Williams, same question on delta smelt. Have we restored the delta smelt, or can we find a delta smelt? We still have salmon at some number. Do we still have smelt?

Ms. WILLIAMS. Congressman, we do still have smelt, and we are working toward being able to captive-rear smelt, as well.

Mr. DUARTE. Very good. These efforts, are they the result of your most sound science or do they have a lot more to do with serial litigation and settlement of litigation driving your restoration practices and efforts, and your balancing of different competing environmental and human needs for our water resources?

Ms. WILLIAMS. Congressman, I would say that the Fish and Wildlife Service I have always directed, as has the Secretary and this Administration, that we follow both the science and the law.

Mr. DUARTE. And has serial litigation changed the balance between the science and the law?

Is the law always uniform with the science, or do at times you have to do things that are the result of the law in the face of what would otherwise be the best science for restoration or, again, balancing of our precious water resources toward human and endangered species restoration efforts?

Ms. WILLIAMS. Congressman, I would argue that the litigation does not change the science. To some degree, the law adapts with

litigation, as precedent sets standards that we adhere to. But it does not change the science.

Mr. DUARTE. Thank you. I yield back.

Mr. BENTZ. Thank you. The Chair recognizes Congresswoman Kiggans for 5 minutes.

Mrs. KIGGANS. Thank you, Mr. Chair. I just want to start out with offshore wind. And in pursuit of an all-of-the-above energy strategy, I have been a strong supporter of the offshore wind industry, both on the state level and here in Congress and the hundreds of jobs and low-cost energy it will bring to Virginia's 2nd District that I represent.

In the existing lease area off the coast of Virginia Beach, there are currently two test turbines in place, with 176 more slated for completion by 2026, almost 15 years after the initial lease agreement was signed. This long-term process has included comprehensive discussions between BOEM, local electricity providers, the Department of Defense, and the fishing community to ensure our national security, economic, and climate goals are all served by the negotiations. The commercial and recreational fishing communities are uniquely impacted by offshore wind and should be consulted every step of the way, also as the project continues.

My question is for Ms. Bavishi.

You previously touched on the need for the fishing community to be included in negotiations with BOEM. What steps are being taken by BOEM and the National Marine Fisheries Service to ensure our energy needs, as well as those of our fishing community, are being met?

Ms. BAVISHI. Thank you for the question, Congresswoman. We are currently requesting an increase of \$32.4 million above the Fiscal Year 2023 enacted levels to make sure that we ensure that the Northeast and Mid-Atlantic are fully supported to meet the current and future challenges of regulatory and scientific review, and also fund the Federal Survey Mitigation Program in the Northeast, West Coast, and Gulf of Mexico, and Southeast regions to provide resources and preparations for increased demands in all of these regions.

We also in the budget have asked for an increase of \$6.2 million for the National Ocean Service foundational information for expansion of Offshore Wind Energy Initiative to develop the social and ecological science to plan and site offshore wind energy development, including spatial and mapping data analysis and products. And this will also support early engagement in BOEM's siting decisions to help reduce conflicts with NOAA trust resources and ocean co-users, and also improve the efficiency of environmental permitting and review processes.

Mrs. KIGGANS. Thank you. And my district is also home to several national wildlife refuges, including Back Bay, Great Dismal Swamp, Chincoteague, and Wallops Island. Thousands of people visit these each year to hike, fish, hunt, camp, and enjoy the outdoors.

When the Fish and Wildlife Service announced in September 2022 that they would expand hunting and fishing opportunities at 16 refuges across the country, Chincoteague and Wallops Island

were included in the expansion, much to the delight of hunters and anglers in my district.

The banning of lead ammunition is projected to raise costs for consumers by as much as 25 percent, making it too expensive for many people to continue the activity. Instead of expanding access for hunters and anglers, this effort makes it harder for the public to enjoy these opportunities. So, Ms. Williams, will future efforts to expand hunting and fishing access in wildlife refuges include a ban of lead tackle and ammunition, and do you expect this to be standard practice going forward?

Ms. WILLIAMS. Congresswoman, thank you for asking that question, and I am so glad that the Fish and Wildlife Service, through the refuge system, could offer these expanded opportunities and increased access, because that remains very important to us.

What we are doing with lead now, in part because we received numerous comments over the years, so we are being responsive to the public, and then also litigation, we are looking at the impact of lead in refuges. We would like to not add additional lead on the landscape while we work with both the Hunting and Wildlife Conservation Commission and with the states in addressing, probably refuge by refuge, very much in conjunction with the state-led and the states on our refuges.

Mrs. KIGGANS. Were there studies done to come to those decisions? Are they still in the process of studying the impact of the lead?

Ms. WILLIAMS. Congresswoman, for any refuge that would change what lead is allowed from now going forward would involve a robust public process, including any impacts to specific species.

Mrs. KIGGANS. OK. Great, thank you. And then just to touch on, I know Ms. Luna was talking about NOAA's speed restrictions, but to go back to that, earlier this year an endangered North Atlantic right whale washed up on the shore of Virginia Beach. And I am sympathetic to that plight faced by the whales, and want to prevent as many deaths as possible. But I am also concerned that the proposed speed restrictions have gone too far.

While undoubtedly well-intentioned in an attempt to prevent whale fatalities, expanding such restrictions would have catastrophic effects on our fishing community in coastal Virginia. I advocated for increased funding for broad deployment of enhanced radar technology on vessels in this year's appropriations package, a strategy welcomed by commercial and recreational fishermen alike, and one that would not immediately cripple the industry.

So, Ms. Bavishi, a few questions: When can we anticipate a final rule regarding vessel speed restrictions?

And how important are stakeholders' comments gathered during this comment period?

Mr. BENTZ. You can answer the question for the record, but just one question, please.

Ms. BAVISHI. Thank you for the question. The public comment period for the vessel speed rule closed on October 31, 2022. We are reviewing the approximately 90,000 comments that we received, and we anticipate taking final action on the proposed rule this year.

Mrs. KIGGANS. Thank you, Mr. Chair.

Mr. BENTZ. Thank you. And before I ask my questions I just want to recognize Kiel Weaver for the record. This is his last meeting. Of course, he is Subcommittee Staff Director and Senior Policy Advisor. He has found a job that won't be half as fulfilling as this one, but perhaps there will be other rewards.

Kiel, we will miss you a lot. You have done a great work for this Committee for many, many years, and we wish you the best.

With that, I am going to ask my 5 minutes of questions. Let me begin by focusing on accountability. And this kind of came up a little bit ago in Congressman Mast's questions. I am going to ask each of you, I will start with Deputy Administrator Bavishi, how you believe that your group is accountable. And I don't need a long answer. I simply want to know what would prompt you, as a group, other than perhaps us cutting your budget, to actually move things along with more rapidity.

And we will get to that streamlining question in a minute. I just want to know what is it that prompts you to actually do things? Is it because when the Secretary of Commerce calls and says, hey, get about it, or is it when people lose all patience, as Congressman Mast illustrated? What is it, and to whom do you believe you are accountable?

I don't want a general answer like "the American people." Don't do it to me. But tell me who.

Ms. BAVISHI. Well, we certainly are accountable to the American people and the taxpayers across the country. But we also have other mechanisms in place that help provide oversight and accountability within the agency.

Mr. BENTZ. OK, please provide those to me.

I am now going to turn to Director Williams. Same question.

Ms. WILLIAMS. Thank you, Chair. And I would echo we are accountable to the American people, and we do have processes in place that I think make sure that we act with integrity—

Mr. BENTZ. And then please also provide those to this Committee's staff.

Ms. WILLIAMS. Gladly.

Mr. BENTZ. I would like to see them.

We will stick with you, Director Williams, for just a moment. I am looking at your U.S. Fish and Wildlife report, which I have gone through carefully. I am looking at the first page, first column, about two-thirds of the way down. It says the BIL to FWS to accelerate and improve environmental reviews in support of responsible development of priority infrastructure projects and energy solutions. The phrase "accelerate and improve reviews," tell me how you are going to do that.

Ms. WILLIAMS. Chair Bentz, we are doing that in a number of ways. One is we—

Mr. BENTZ. Can you provide me the list?

Ms. WILLIAMS. Absolutely.

Mr. BENTZ. I absolutely want to see what we are spending all this money on that is going to make things go more quickly.

Let me turn back to Deputy Administrator Bavishi.

I have gone through your report, not as closely as I normally would have done in my law practice, but closely, and I can't find

much in it about how things are going to be more streamlined. I find an awful lot of words: “Climate-ready nation whose prosperity, health, security, continued growth benefit from and depend upon a shared understanding of, and collective action to, reduce,” and on and on, but I see nothing about shortening the time it takes to permit things or make things happen. Tell me how you are going to streamline your \$6.8 billion agency.

Ms. BAVISHI. We have also taken actions including requesting appropriations in the Fiscal Year 2024 budget to help us increase capacity to streamline permitting and review processes. And I am happy to follow up with you to provide more details about that.

Mr. BENTZ. Please do. I look forward to seeing those answers.

I have in my hand a memorandum between the Department of the Army Civil Works and the National Oceanic and Atmospheric Administration. It is dated January 5, 2022, and signed by the Army Corps and Undersecretary of NOAA. It purports not to be an administrative rule, yet what it does is it expands dramatically the work that needs to be done when you are trying to simply repair a facility owned by the Federal Government. It dramatically expands it by looking backwards, forwards, and every other direction and saying that this is consistent with or a clarification of current rules.

I disagree. I have not read this, again, with the detailed review that I normally would give a legal document of this nature, but I very much want to see something, a legal opinion or something, that says this is not an administrative rule. Because despite the footnote on the first page which assures all of us that it is not, I say that it is, and I very much want to see a legal opinion signed by somebody from your department saying that this is not an administrative rule. Can I get that opinion?

Ms. BAVISHI. We would be happy to follow up with that, Chair Bentz.

I do want to clarify that this MOU was meant to clarify existing regulations and authorities from our respective agencies surrounding ESA section 7 consultations. It was not it meant to impose any new or additional requirements on action agencies or applicants. So, it doesn’t alter existing requirements related to section 7 consultation in any way.

Mr. BENTZ. I thank you for that, and I look forward to seeing the opinion.

And I thank the witnesses for their testimony and the Members for the questions.

The members of the Committee may have some additional questions for you, and we will ask you to respond to these in writing. Under Committee Rule 3, members of the Committee must submit questions to the Subcommittee Clerk by 5 p.m. Eastern Time on Friday, May 26. The hearing record will be held open for 10 business days for these responses.

If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 1:14 p.m., the Subcommittee was adjourned.]