

OPENING STATEMENT
Chairman TJ Cox
Subcommittee on Oversight and Investigations
Committee on Natural Resources

Oversight Hearing on the
Status of the Reclamation Fund and the Bureau of Reclamation's Future Infrastructure
Funding Needs

July 24, 2019

Good afternoon and welcome to today's hearing. Today's hearing will focus on the Bureau of Reclamation's future infrastructure funding needs and the status of the Reclamation Fund. I want to thank Reclamation and our other witnesses for joining us today to talk about these important subjects.

As many here know, the Bureau of Reclamation operates hundreds of water infrastructure projects across the American West that supply water and power to millions of people, including irrigation water for one out of five western farmers.

Unfortunately, the average age of Reclamation's infrastructure is now more than 50 years old. Given this age, it's no surprise that infrastructure maintenance costs continue to grow as projects near the end of their design life.

Reclamation currently estimates that the total funding needed to address its maintenance, repair, and rehabilitation needs for just the next five years is approaching 3 billion dollars. And these maintenance and repair costs are expected to grow as Reclamation's infrastructure further ages.

Today, I hope to hear more about these anticipated costs and to examine whether Congress should use more of the receipts deposited into the so-called Reclamation Fund to pay for both new infrastructure and for the repair and maintenance of existing infrastructure.

For those of you who are not familiar, the Reclamation Fund was originally established by Congress specifically to help pay for western water infrastructure. Receipts into the fund come primarily from natural resources royalties, water and power sales, Reclamation project repayment, and public land sales in western states.

Over the past two decades, the receipts into the Reclamation Fund have far outpaced Congress' appropriations from the Fund. If we could shrink the gap between receipts and expenditures from the Reclamation Fund, Congress could do a lot to address our significant infrastructure funding issues, particularly for the farmers I represent and the more than one million California residents who live without access to safe, clean drinking water.

As some people here may know, the Reclamation Fund was originally created by Congress as a revolving fund so that Reclamation Fund receipts could fund water projects without requiring

Congressional appropriations. Unfortunately, due to early solvency issues, that funding process was changed.

Today, funding from the Reclamation Fund is subject to the unpredictable whims of Congress' annual appropriations process. I believe it's time for Congress to put forward a reliable, long-term solution for water infrastructure investment. Making the Reclamation Fund a true revolving fund once again could be one such solution that Congress should seriously evaluate.

For several years, close to \$1 billion dollars in Reclamation Fund receipts have been left unappropriated each year and have not been available to help fund Reclamation infrastructure—and projections show that this balance will only continue to balloon. Meanwhile, residents, farmers, and businesses continue to face water supply reliability issues, in large part because of deficient and inadequate infrastructure investments. This is unacceptable.

There are some proposals out there to more fully tap into the Reclamation Fund, such as the SAVE Water Resources Act—a bill I'm proud to cosponsor that's been introduced by my colleague and fellow Central Valley Representative Josh Harder. I am also interested in incorporating what we learn from today's hearing into a bill I'm working on to address the long-term use of Reclamation Fund receipts.

This may involve turning the Reclamation Fund back into a true revolving fund so that Reclamation Fund expenditures can more closely match Reclamation Fund receipts.

Whatever action we take, I believe Congress has to work together to figure out how to make the investments needed to ensure water supply reliability for the San Joaquin Valley and the entire West. The reality is that our way of life is completely determined by our access to reliable and clean water, and infrastructure investment is a major component of ensuring that reliability in future years.

With that, I want to thank our witnesses again for being here today to help educate us on how Congress can best intervene to address these critically important issues.

Thank you, I will now recognize the Ranking Member for his opening statement.