

Opening Statement of Republican Leader Louie Gohmert
Subcommittee on Oversight and Investigations
“The Status of the Reclamation Fund and the Bureau of Reclamation’s Future
Infrastructure Funding Needs.”
July 24, 2019

The sub-committee meets today to discuss the “Reclamation Fund and the Bureau of Reclamation’s future infrastructure funding needs.”

The Reclamation Fund was created in 1902 as way to finance and build water projects in 16 western states and territories. It wasn’t until a few years later that Congress saw the error in its ways and added Texas to the list of eligible states.

This fund was originally conceived as a revolving fund that would finance the entire Reclamation program. This idea, however, did not live up to its promise.

Just a short eight years after its creation funds fell short and Congress had to advance \$20 million from the Treasury’s general fund to prop-up the Reclamation Fund. This would be over \$556 million in today’s dollars, when adjusted for inflation. This it was not the only bail out. With early issues of insolvency, Congress revoked the revolving fund by passing the Reclamation Extension Act of 1914 with the requirement that all expenditures would be subject to the appropriations process.

Still in need of revenues, in 1920 Congress began diverting receipts from oil and gas development on public lands to the Reclamation Fund. Today, 40 percent of these revenues go to the Fund. We now have the opposite problem; the Fund takes in more money than is appropriated by Congress. Some would like to use this as an opportunity to remove the Reclamation Fund from being subject to the appropriations process. This removes a layer of Congressional oversight and would further hand over authority to unelected bureaucrats.

While it is a false narrative that the Fund has a multi-billion “surplus,” as this money has long been spent elsewhere, if some on the other side have their way, I expect the Reclamation Fund will be facing funding issues in the future.

Some folks across the aisle are doing everything in their power to eliminate oil and gas development on federal lands. In this Congress, they passed legislation out of this committee that withdraws over 200,000 of acres from future oil and gas development. I expect these efforts to continue.

Why should this matter to western water managers? In 2018, oil and gas provided 66% of the Reclamation Fund’s revenues. In contrast, revenues from the original funding sources only make up 16.6%. The Reclamation Fund is not sustainable without the natural resource royalties.

I hope you will support the development of federal lands and the revenues they provide to the Reclamation Fund with the same excitement your testimony shows in spending this money. It

will not matter how many water infrastructure projects we discuss today if the funding will not be there to build them.