HOUSE COMMITTEE ON
NATURAL RESOURCES
CHAIRMAN BRUCE WESTERMAN

To:	Subcommittee on Water, Wildlife and Fisheries Republican Members
From:	Subcommittee on Water, Wildlife and Fisheries Staff: Richie O'Connell (Richie.O'Connell@mail.house.gov) and Jackson Renfro (Jackson.Renfro@mail.house.gov); x5-8331
Date:	Monday, May 18, 2026
Subject:	Oversight Hearing titled *"The Federal Reclamation Program's Next Century"*

The Subcommittee on Water, Wildlife and Fisheries will hold an oversight hearing titled *"The Federal Reclamation Program's Next Century"* on **Wednesday, May 20, 2026, at 10:00 a.m., in room 1324 Longworth House Office Building**.

Member offices are requested to notify Jackson Renfro (Jackson.Renfro@mail.house.gov) by 4:30 p.m. on Tuesday, May 19, 2026, if their Member intends to participate in the hearing.

I. KEY MESSAGES

- As Americans face rising utility prices, reducing the cost of delivering water infrastructure in the West is a top priority for House Republicans and the Trump administration.
- Many Bureau of Reclamation (Reclamation) projects were authorized before 1970, and several critical components are over 100 years old. As these facilities approach the end of their design lifetimes, the cost to maintain and repair them typically escalates, as can the likelihood of catastrophic failure.
- The complex, bureaucratic nature of federal procurement and permitting processes often prolongs project timelines and increases costs that are ultimately borne by Reclamation's water and power customers.
- Many of Reclamation's partners—primarily local governments, irrigation districts, and public utilities—have observed that projects conducted through their own non-federal procurement process are often completed more quickly and at significantly lower cost.
- Secretarial Order (SO) 3446 streamlines the federal procurement process by allowing qualified entities to assume greater responsibility for managing construction and maintenance contracts at Reclamation facilities, while maintaining proper oversight and accountability.

II. WITNESSES

Panel I (Administration Witnesses)

- **Mr. Scott Cameron,** Acting Commissioner, Bureau of Reclamation, Washington, D.C.

Panel II (Outside Experts)

- **Mr. J. Scott Petersen**, Director of Water Policy, San Luis & Delta-Mendota Water Authority, Los Banos, California
- **Ms. Samantha Barncastle,** Executive Director, Family Farm Alliance, Las Cruces, New Mexico
- **Ms. Jennifer Patrick,** Project Manager, Milk River Joint Board of Control, Havre, Montana
- **Mr. Shivaji Deshmukh,** General Manager, Metropolitan Water District of Southern California, Los Angeles, California [*Minority Witness*]

III. BACKGROUND

Bureau of Reclamation and Aging Infrastructure

Since its establishment in 1902, Reclamation has built major infrastructure across the western U.S., making up more than three-quarters of the Department of the Interior's (DOI's) total constructed assets.[1] Its inventory features 348 reservoirs, 480 dams, 58 hydroelectric power plants, and approximately 10,000 miles of canals, providing irrigation to 10 million acres of farmland and producing over 44 billion kilowatt-hours of energy annually.[2] Many of these projects were authorized before 1970, and several critical components throughout the Reclamation network are over 100 years old. As these facilities approach the end of their design lifetimes, the cost to maintain and repair them typically escalates, and in certain cases, so does the likelihood of failure.[3]

With few major new Reclamation projects underway, the focus has shifted in recent years to operating, maintaining, and repairing existing infrastructure.[4] The Omnibus Public Land Management Act of 2009 (Public Law 111-11) authorized Reclamation to establish a process to inspect project facilities,[5] fund extraordinary maintenance work, and execute contracts for extended repayment of the reimbursable costs.[6] Public Law 111-11 also directed the Secretary of the Interior, acting through the Commissioner of Reclamation, to develop guidelines for the inspection of facilities "which could pose a risk to public safety or property

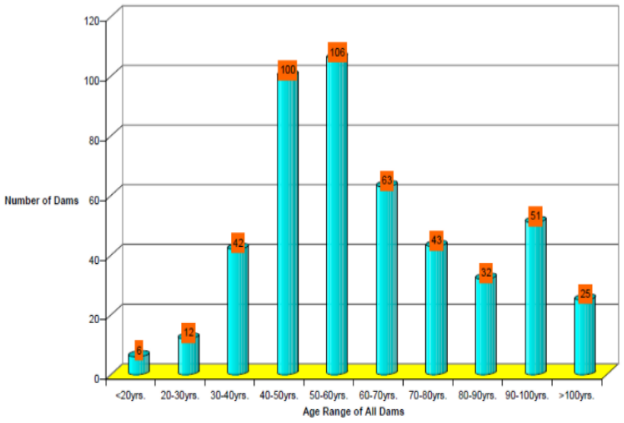

Figure 1: Age of Reclamation Dams | Source: Congressional Research Service

[1] Charles V. Stern, "The Bureau of Reclamation's Aging Infrastructure," Congressional Research Service, March 30, 2011, https://www.congress.gov/crs_external_products/RL/PDF/RL34466/RL34466.11.pdf.
[2] *Id.*
[3] *Id.*
[4] *Id.*
[5] Omnibus Public Lands Management Act of 2009 (P.L. 111-11), https://www.congress.gov/111/plaws/publ11/PLAW-111publ11.pdf.
[6] *Id.*

damage if such project facilities were to fail,"[7] and directed Reclamation to use the data and information gained from those inspections to provide recommendations to the operators of transferred works, determine inspection frequency, and provide additional information on potential risks to the areas surrounding project facilities.[8] The statute also gave Reclamation the authority to provide technical assistance to the operators of transferred works or projects whose control Reclamation has transferred to a different entity.[9]

Public Law 111-11 further authorized Reclamation to receive Congressional appropriations for maintenance activities "that the Secretary determines to be reasonably required to preserve the structural safety of the project facility."[10] Water users repay these funds over a period of up to 50 years.[11] The Secretary, or the operating entity in the case of transferred works, may "carry out any emergency extraordinary operation and maintenance work on a project facility that the Secretary determines to be necessary to minimize the risk of imminent harm to public health or safety, or property."[12] For projects owned and operated by Reclamation, funding to conduct this maintenance activity is allocated for the authorized project purposes and is repaid within 50 years of when the maintenance activity is complete.

This program was amended in 2020 when Congress established the Aging Infrastructure Account, a revolving fund seeded with appropriated funds and recapitalized with repayments from project beneficiaries for reimbursable extraordinary maintenance work funded by expenditures from the account.[13]

Democrats' Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58) provided $3.2 billion to the Aging Infrastructure Account across Fiscal Years (FYs) 2022 through 2026.[14] While many worthy projects received funding, the Biden administration mismanaged the account, particularly in the early years of IIJA implementation, by prioritizing non-reimbursable work, which undermined the fund's solvency, and by emphasizing recreation features, new construction, and projects that otherwise did not enhance Reclamation's water supply mission. For example, the FY 2023 spending plan allocated $317.3 million, out of a total of $584.9 million, to non-reimbursable projects. These projects included restaurant patios, solar panels, a water treatment plant, and water meters. In addition, reimbursable projects received only 14.5 percent of requested funding amounts, while non-reimbursable work received 94.6 percent of requested levels in FY 2023.[15]

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[7] *Id.*
[8] *Id*.
[9] *Id*.
[10] *Id*.
[11] Anna E. Normand & Charles V. Stern, "Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)," Congressional Research Service, March 21, 2024, https://www.congress.gov/crs-product/R47032.
[12] Omnibus Public Lands Management Act of 2009 (P.L. 111-11), https://www.congress.gov/111/plaws/publ11/PLAW-111publ11.pdf.
[13] *See* P.L. 116-260, https://www.congress.gov/116/plaws/publ260/PLAW-116publ260.pdf.
[14] Anna E. Normand & Charles V. Stern, "Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)," Congressional Research Service, March 21, 2024, https://www.congress.gov/crs-product/R47032.
[15] *FY 2023 Aging Infrastructure Report to Congress, Extraordinary Maintenance Report Table*, U.S. Bureau of Reclamation. https://www.usbr.gov/foia/docs/bor-infrastructure-investment-jobs-act/archive/docs/infrastructure/FY-2023-Extraordinary-Maintenance-Report-Table.pdf.

Title Transfer

Title transfer plays an important role within Reclamation by promoting local control and reducing the federal government's role in local water management and decision-making. Many of the dams, canals, and hydropower plants constructed by Reclamation since 1902 have had all or part of their responsibility for operation, maintenance, and replacement (OM&R) transferred to local project beneficiaries.[16]

For a local management entity to be eligible for a title transfer, it must:

- demonstrate the technical and financial capability to meet obligations;
- affirm that it has no plans to alter the maintenance or operation of the facility;
- affirm that there are no competing demands for the use of the facility;
- ensure that the transfer would not impact other contractors, stakeholders, and tribes;
- commit to abiding by existing contracts and agreements;
- assume all responsibility to commitments and agreements; and
- submit to a public comment period to address any ongoing issues within the facility.[17]

Reclamation's transferred works, those facilities operated and maintained by project beneficiaries, may be eligible for title transfer, but generally reserved works, those owned, operated, and maintained by Reclamation, have not been candidates for title transfer.

Prior to the 2019 enactment of the John D. Dingell Jr. Conservation, Management and Recreation Act (Dingell Act) (Public Law 116-9), these title transfers required individual Congressional authorization. The Dingell Act, however, provided Reclamation the authority to transfer titles of certain transferred works facilities administratively once all criteria had been met, including repayment of all capital costs.[18]

Federal Procurement Process

Reclamation's federally funded capital improvement projects, such as the repair, modernization, and construction of water infrastructure and hydroelectric facilities, are subject to the federal procurement requirements outlined in the Federal Acquisition Regulation (FAR). The purpose of the FAR, as codified at 48 C.F.R. 1.102, is to "deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives."[19]

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[16] "Title Transfer," U.S. Bureau of Reclamation, April 27, 2026, https://www.usbr.gov/title/.
[17] "Transfer Categorical Exclusion," U.S. Bureau of Reclamation, September 26, 2023, https://www.usbr.gov/title/ce.html.
[18] P.L. 116-9, https://www.congress.gov/bill/116th-congress/senate-bill/47/all-actions; *Reclamation Manual: Title Transfer for Reclamation Project Facilities*, U.S. Bureau of Reclamation, March 4, 2022, https://www.usbr.gov/recman/cmp/cmp11-01.pdf.
[19] "1.102 Statement of Guiding Principles for the Federal Acquisition System," U.S. General Services Administration, March 13, 2026, https://www.acquisition.gov/far/1.102, accessed May 8, 2026.

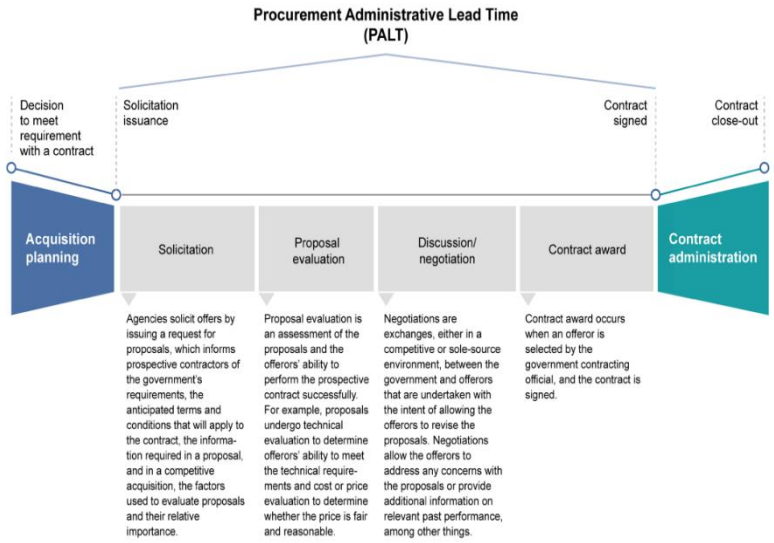

Figure 2: Federal Procurement Process | Source: Government Accountability Office

As outlined in the FAR, the procurement process begins with a federal agency identifying program or project needs and then conducting market research to understand industry capabilities, potential suppliers, and appropriate acquisition strategies.[20] Once requirements are defined, the agency issues solicitations—most commonly though the System for Award Management (SAM).[21] Interested companies prepare and submit their bids in response to the solicitation, and, in accordance with applicable provisions of the FAR, agency personnel evaluate offers based on price, technical capability, and past performance.[22] Once a contract is awarded, the agency oversees compliance with the terms and conditions of the contract, as well as with environmental and safety regulations.[23]

Although federal procurement rules were designed to facilitate transparency and competition, the FAR's 2,000-page, complex framework has become more of a barrier to, rather than a vehicle for, doing business with the federal government, often protecting incumbents and increasing costs.[24] Due to the administratively complex nature of the federal procurement process, which requires extensive documentation and planning, project timelines are often prolonged, resulting in increased costs that are ultimately borne by Reclamation's water and power customers. Ms. Jennifer Patrick, representing the Milk River Joint Board of Control, will testify that contractors increase their bids significantly to accommodate the uncertainty and bureaucracy associated with federal projects as a standard course of business.

[20] Dominick A. Fiorentino, "Overview of the Federal Procurement Process and Resources," Congressional Research Service, April 14, 2023, https://www.congress.gov/crs-product/RS22536.
[21] *Id.*
[22] *Id.*
[23] *Id.*
[24] Executive Order 14192, "*Restoring Common Sense to Federal Procurement*," The White House, April 15, 2025, https://www.whitehouse.gov/presidential-actions/2025/04/restoring-common-sense-to-federal-procurement/.

Federal procurement inefficiencies create challenges for the many irrigators who depend on infrastructure reliability in the West, a region already defined by its unreliable annual hydrology. Setbacks encountered during the reconstruction of the Fort Laramie Canal Tunnel, for example, continue to hinder irrigation operations throughout eastern Wyoming and western Nebraska.[25] Built by Reclamation in 1917, the tunnel collapsed in 2019, affecting more than 100,000 acres of farmland, causing $89 million in economic losses, and initiating efforts to replace the century-old tunnel in its entirety.[26] While local irrigators were initially optimistic about the replacement project, especially after it received $44.5 million in federal funding from the Aging Infrastructure Account in 2022 for a planning study, groundbreaking did not occur until 2025, nearly six years after the tunnel failed.[27] The project is not expected to be completed until 2028.[28]

Figure 3: Fort Laramie Canal Tunnel Collapse | Source: Brierley Associates

Federal Permitting Statues

In addition to the FAR requirements, federal permitting statutes, such as the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and the National Historic Preservation Act (NHPA), can significantly delay project timelines and drastically increase costs. Prior to issuing solicitations and awarding contracts, for example, Reclamation is required to assess a project's environmental impacts under NEPA, which lengthens project timelines.[29] In the case of the Fort Laramie Canal Tunnel, the final environmental assessment of the rehabilitation project was not issued until May 2025, nearly six years after the tunnel collapsed.[30]

Likewise, Reclamation must satisfy ESA section 7 requirements with the U.S. Fish and Wildlife Service (USFWS) or the National Marine Fisheries Service (NMFS) before issuing project solicitations. If a project is determined to impact listed species and critical habitats, the resulting Biological Opinion from either USFWS or NMFS can create lengthy and costly delays. Furthermore, Reclamation must integrate ESA requirements directly into its contracts, which can restrict construction to specific seasons to protect migrating or spawning species and can oblige contractors to invest in ESA-compliant infrastructure. Because these requirements can be highly technical and restrictive, they often lead to higher bid prices, as contractors account for construction constraints and the need for specialized equipment.

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[25] Jay Dallman, "Reclamation Responds to Fort Laramie Canal Tunnel No. 2 Failure," U.S. Bureau of Reclamation, *Plains Talk*, 2020, https://www.usbr.gov/gp/multimedia/publications/hcpt_winter_2020.pdf.
[26] *Id.*
[27] *FY 2022 Extraordinary Maintenance Report Table*, U.S. Bureau of Reclamation, 2022, https://www.usbr.gov/foia/docs/bor-infrastructure-investment-jobs-act/archive/docs/infrastructure/FY-2022-Extraordinary-Maintenance-Report-Table.pdf.
[28] Gary Stone, et al., "Groundbreaking for Tunnel Replacement, Construction Scheduled to Begin," *CropWatch*, University of Nebraska–Lincoln, October 22, 2025, https://cropwatch.unl.edu/groundbreaking-tunnel-replacement-construction-scheduled-begin/.
[29] "National Environmental Policy Act (NEPA)," U.S. Bureau of Reclamation, June 3, 2025, https://www.usbr.gov/nepa/.
[30] *Final Environmental Assessment for the Fort Laramie Canal Tunnels No. 1 and 2 Rehabilitation Project*, U.S. Bureau of Reclamation, May 2025, https://usbr.gov/gp/nepa/FortLaramie_EA.pdf.

Another regulatory challenge that can extend project timelines is section 106 review under the NHPA, which is triggered when a procurement involves work on historic properties. At the federal level, the historical significance of a site or structure is generally determined by its eligibility to be listed in the National Register of Historic Places (NRHP).[31] Under NRHP eligibility guidelines, historic properties must be at least 50 years old, meet at least one of four criteria for significance, and retain sufficient historic integrity to convey that significance.[32]

Since most Reclamation facilities are over 50 years old,[33] many of them are listed in the NRHP and subject to section 106 review. Reclamation is responsible for ensuring compliance with section 106 for all project works, including its transferred works facilities. When Reclamation determines that an action has the potential to affect a historic site or cultural resources, it initiates the section 106 process, during which it coordinates with the State Historic Preservation Officer, Tribal Historic Preservation Officer, Advisory Council on Historic Preservation, and affected Tribes or communities to determine the proposed action's impacts on historical sites and cultural resources and explore ways to mitigate them.[34] Mitigation efforts frequently add unnecessary steps that extend the process without effectively protecting a site's historical or cultural value.[35] For example, in the case of the Fort Laramie Canal, the mitigation plan required Reclamation to "prepare a historical context on the Fort Laramie Canal that would contribute to the Wyoming Irrigation Wiki."[36]

Modernizing Infrastructure and Reducing Regulatory Red Tape

Large-scale infrastructure investments and regulatory streamlining to maximize water deliveries across the West are key priorities for both House Republicans and the Trump administration. Central to this effort is the significant investment made available under the Working Families Tax Cuts (P.L. 119-21) for water storage and conveyance projects. On March 17, 2026, DOI allocated nearly $890 million for Reclamation projects across six states.[37] The largest share of this funding, approximately $540 million, is directed toward California to modernize aging conveyance systems like the Delta-Mendota Canal and to advance storage projects, such as raising Shasta Dam.[38] Other significant allocations include $100 million each for projects in Utah, Wyoming, and North Dakota to repair tunnels and enclose canals, aimed at reducing water loss, improving delivery efficiency, and repairing catastrophic failure.[39]

Recognizing that funding alone is insufficient to modernize infrastructure and improve water deliveries, the Trump administration has taken aggressive steps to accelerate federal

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[31] 36 C.F.R. 60.4, eCFRhttps://www.ecfr.gov/current/title-36/chapter-I/part-60/section-60.4.
[32] *Id.*
[33] Charles V. Stern, "The Bureau of Reclamation's Aging Infrastructure," Congressional Research Service, March 30, 2011, https://www.congress.gov/crs_external_products/RL/PDF/RL34466/RL34466.11.pdf.
[34] 36 C.F.R. 60.4, eCFRhttps://www.ecfr.gov/current/title-36/chapter-I/part-60/section-60.4.
[35] *Final Environmental Assessment for the Fort Laramie Canal Tunnels No. 1 and 2 Rehabilitation Project*, U.S. Bureau of Reclamation, May 2025, https://usbr.gov/gp/nepa/FortLaramie_EA.pdf.
[36] *Id.*
[37] *See Interior Announces $889 Million Investment in Western Water Infrastructure Through President Trump's One Big Beautiful Bill*, U.S. Department of the Interior, March 17, 2026, https://www.doi.gov/pressreleases/interior-announces-889-million-investment-western-water-infrastructure-through.
[38] *Id.*
[39] *Id.*

procurement. On January 31, 2025, President Trump signed Executive Order (EO) 14192, "Restoring Common Sense to Federal Procurement," which highlighted the FAR's rigidity, inflexibility, and harmful effects on American consumers.[40] On August 15, 2025, the Office of Management and Budget's Office of Federal Procurement delivered comprehensive FAR reform in furtherance of EO 14192.[41] Building on these successes, on November 20, 2025, Secretary of the Interior Doug Burgum signed Secretarial Order (SO) 3446, "Cutting Red Tape and Reducing Consumer Costs at Reclamation Construction Projects," initiating a transformative shift in how federally funded Reclamation projects are delivered across the West.[42] Many of Reclamation's partners—primarily local governments, irrigation districts, and public utilities—have observed that projects conducted through their own non-federal procurement process are often completed more quickly and at significantly lower cost—sometimes as much as 20 percent lower.[43]

For instance, Reclamation delegated management authority for the St. Mary siphon replacement project to the Milk River Joint Board of Control, facilitating a more efficient process for design, environmental assessment, and construction.[44] In contrast to the conventional process that typically requires several years, as demonstrated by the Fort Laramie Canal Tunnel project, this delegated approach facilitated the completion of the siphon replacement within a single year.[45]

Building on these models, SO 3446 allows qualified entities to assume greater responsibility for managing construction and maintenance contracts at Reclamation facilities, while maintaining proper oversight and accountability.[46] Additionally, the SO seeks to streamline permitting processes, particularly environmental and NHPA compliance, by emphasizing the expansion of categorical exclusions and programmatic agreements to bypass repetitive analysis for routine maintenance and minor construction activities.[47] This nimbler approach is consistent with broader Trump administration and House Republican efforts to reduce regulatory barriers that prevent timely and cost-effective infrastructure investments and improvements.

Witnesses at the hearing will testify about the successes of SO 3446, examples of efficient project delivery models led by non-federal partners, opportunities to streamline unnecessary and duplicative environmental barriers, and the need to expand these authorities and practices across the West to decrease the cost of delivering critical water resources infrastructure.

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[40] Executive Order 14192, "*Restoring Common Sense to Federal Procurement*," The White House, April 15, 2025, https://www.whitehouse.gov/presidential-actions/2025/04/restoring-common-sense-to-federal-procurement/.
[41] "The Office of Federal Procurement Policy Launches Landmark Update to FAR, Ushering in a New Era for Commercial Buying," The White House, August 15, 2025, https://www.whitehouse.gov/briefings-statements/2025/08/the-office-of-federal-procurement-policy-launches-landmark-update-to-far-ushering-in-a-new-era-for-commercial-buying/.
[42] Secretarial Order 3446,"*Cutting Red Tape and Reducing Consumer Costs at Reclamation Construction Projects*," U.S. Department of the Interior, November 20, 2025, https://www.doi.gov/document-library/secretary-order/so-3446-cutting-red-tape-and-reducing-consumer-costs-reclamation.
[43] *Id.*
[44] Tim McGonigal, "St. Mary Diversion Project Restores Water Flow to Milk River," *KRTV*, Scripps Media, 2025, KRTV articlehttps://www.krtv.com/neighborhood-news/hi-line/st-mary-diversion-project-restores-water-flow-to-milk-river.
[45] *Id.*
[46] Secretarial Order 3446,"*Cutting Red Tape and Reducing Consumer Costs at Reclamation Construction Projects*," U.S. Department of the Interior, November 20, 2025, https://www.doi.gov/document-library/secretary-order/so-3446-cutting-red-tape-and-reducing-consumer-costs-reclamation.
[47] *Id.*