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NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

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Subcommittee Questions Obama Admin's BOR and PMA Budgets that Could Increase Electricity Rates and Decrease Water Deliveries

WASHINGTON, D.C. – Today, the House Natural Resources Subcommittee on Water and Power held an [oversight hearing](#) to examine the negative impacts to water supplies and hydropower rates that will result from the Obama Administration's Fiscal Year 2013 budget and priorities for the Bureau of Reclamation (BOR), the Four Power Marketing Administrations (PMAs) and the U.S. Geologic Survey's Water Resources program.

"The Bureau of Reclamation and the Bonneville Power Administration are two of the agencies before us today. Along with the Army Corps of Engineers, these agencies have played a vital role in providing reliable and affordable water and power supplies to the Pacific Northwest. It is our duty to ensure that these traditional missions continue for future generations. This duty is becoming increasingly challenging. The historical roles of these agencies are being undermined," [said Natural Resources Committee Chairman Doc Hastings \(WA-04\)](#). "Ongoing endangered species litigation and a sue-and-settle approach embraced by this Administration have transformed these agencies into something that was never envisioned. The result: less water storage, continued man-made droughts and policies that are driving up electricity rates. At a time when Americans are paying record prices at the gas pumps, higher water and electricity rates will only make matters worse for the economy."

Endangered Species Act requirements, environmental litigation, renewable energy mandates and other compliance with state and federal laws have significantly impacted the Power Marketing Administrations' ability to provide low-cost electricity to their ratepayers. In the case of the Bonneville Power Administration, up to 30 percent or nearly \$1 billion per year of the wholesale power rates can be attributed to these types of mandates. At the Bureau of Reclamation, the same government overregulation has instigated calls for dam removal and environmental flows that have caused severe man-made droughts for regions that depend on a reliable water supply for agriculture.

"While the House is moving to restore abundance as the central objective of federal and water policy, it appears the administration is moving in precisely the opposite direction. The future they are planning is one where families are encouraged, threatened and, if need be, forced to reduce consumption through higher water and electricity bills, higher taxes and intrusive government regulations. Ironically, this administration sees nothing wrong with dumping millions of acre feet of water into the ocean, but it is aghast that a family might actually prefer a toilet that works on the first flush," [said Subcommittee Chairman McClintock](#). "I see a different future for our nation: I see a new era of clean, cheap and abundant hydro-

electricity. I see great new reservoirs to store water in wet years to assure abundance in dry ones. I see a future in which families can enjoy the prosperity that abundant water and electricity provides; and the quality of life that comes from that prosperity.”

Clean, cheap reliable hydropower is the backbone of many rural communities that not only rely on the affordable electricity but water deliveries for irrigation and drinking. Questionable environmental regulations and government mandates are threatening the original missions of the PMAs and BOR that will inevitably lead to the use of more expensive power sources, and less certainty for consumers.

Throughout this Congress, the Subcommittee on Water and Power has actively sought to reverse actions by the Obama Administration to increase electricity rates and weaken water delivery reliability.

- Today, House Natural Resources Committee Chairman Doc Hastings (WA-04) and Subcommittee on Water and Power Chairman Tom McClintock (CA-04) sent a [follow up letter](#) to Department of Energy (DOE) Secretary Steven Chu in response to the alarming November 7th DOE Inspector General “[Management Alert](#)” report on the Western Area Power Administration’s (WAPA) risky, Solyndra-like loan authority. An [initial letter](#) was sent on November 9, 2011.
- On Friday, March 16, 2012 Chairman Hastings released a [statement](#) in response to a [memorandum](#) from Department of Energy Secretary Steven Chu to the BPA and all other PMAs that includes directives that could increase the cost of energy for millions of American families and small businesses.
- The House of Representatives passed H.R. 2842, the *Bureau of Reclamation Small Conduit Hydropower Development and Rural Jobs Act of 2012*, with a bipartisan vote of 265-154. Sponsored by Rep. Scott Tipton (CO-03), H.R. 2842 is an action plan to create new American jobs and eliminate bureaucratic hurdles to small hydropower production. [Click here for more information.](#)
- The House of Representatives passed H.R. 1837, the *Sacramento-San Joaquin Valley Water Reliability Act*, with a bipartisan vote of [246-175](#). This comprehensive bill would restore water deliveries that have been cut-off due to federal regulations and environmental lawsuits, protect tens of thousands of jobs, ensure a reliable water supply for people and fish, secure water rights, and save taxpayer money by ending unnecessary and dubious government projects. [Click here for more information.](#)
- Subcommittee Chairman Tom McClintock introduced, [H.R. 2915](#), to repeal WAPA’s borrowing authority and take taxpayers off the hook for future poor investments.

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