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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

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**Opening Statement**  
**Congressman Tom McClintock**  
**Chairman**  
**House Water and Power Subcommittee**  
**Legislative Hearing on:**  
**H.R. 470 (Heck); H.R. 489 (Gosar), and H.R. 818 (Matheson)**

The Water and Power Subcommittee meets today to review three bills that make minor adjustments to current water projects, but that open larger issues I hope to address in coming months.

We have again before us the Hoover Power Allocation Act, H.R. 470 authored by Dr. Heck of Nevada and Mrs. Napolitano of California.

The Hoover Dam is an ideal model to which we must return. It produces a cornucopia of water storage, hydroelectricity, recreational resources and flood control -- financed not by general taxpayers but by the users of these benefits. The federal government helped front the money for construction, the project participants paid back that money with interest from the proceeds of their water and electricity sales. The original project was paid off long ago and continues to store up to 28 million acre feet of water and generate 2,000 megawatts of electricity, while providing one of the great recreational gems of the West and shielding the Colorado River Basin from the devastating cycle of floods and droughts which once ravaged it.

We have drifted far from this model of abundance in previous congresses and we need to get back to it.

In the meantime, the question arises of how to allocate these power benefits when current contracts expire in 2017.

One approach is before us today. It allocates power at at-cost rates for the project participants, with a five percent set-aside for latecomers to the vineyard. With the exception of this set-aside, it follows existing precedent.

A second approach was rejected by Congress in the 1980's: to put the power out for bid at market rates. This would reap a windfall for the treasury, but at enormous expense to 29 million existing ratepayers. This approach would also discourage future partnerships by denying participants the fruit of their investments.

A third approach is to default this decision to the Western Area Power Administration that is pursuing an administrative process. This has the advantage of engaging in far more detailed discussions and negotiations than can be addressed by Congress, but with the drawback of unaccountability to taxpayers and ratepayers, potential lawsuits and re-igniting conflicts between the affected states.

The next bill, H.R. 489 – authored by Congressman Paul Gosar of northern Arizona – addresses a growing problem that we are having with the U.S. Forest Service. This bill arises from the bureaucratic intransigence, megalomania and abuse that has become the new hallmark of this rogue agency.

In this case, there is a small water system (called the Cragin Project) serving several small rural communities in Arizona that was transferred from private ownership to the Bureau of Reclamation. The water system is nearly 50 years old and needs repairs.

Simple enough – you go in and fix it. Except in this case, Forest Service bureaucrats have claimed jurisdiction and have actively impeded, obstructed, delayed and disrupted efforts to repair this vital water system. Having watched the Forest Service's abusive behavior in my own district, I have no doubt that it is deliberately attempting to create conditions that would ultimately expel these long-established communities from the national forests. This is a pattern of abuse we are watching across the western United States – and particularly ironic considering that the original mission of the Forest Service was to open the forests for the benefit of the people.

This bill re-states and re-enforces existing law that the Bureau of Reclamation alone has jurisdiction over the maintenance and operation of the Cragin Project and tells the King's Foresters to go pound sand. Amen.

The Subcommittee will also review H.R. 818, a bill sponsored by Congressman Jim Matheson of Utah. This legislation allows a local water district to pre-pay its loan obligations to the Federal Treasury, in the same way a family has the option to pre-pay its home loan to save compounded interest costs. This is a principle that should be replicated uniformly and I hope that this committee will produce a more comprehensive bill during this session.