U.S. HOUSE OF REPRESENTATIVES NATURAL RESOURCES COMMITTEE REPUBLICANS CONGRESSMAN DOC HASTINGS, RANKING MEMBER

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Hastings' Remarks at the Annual Meeting of the National Water Resources Association

"Let us be clear what this Cap-and-Trade proposal really is: a national energy tax."

WASHINGTON, D.C. – Today, House Natural Resources Committee Ranking Member Doc Hastings (WA-04) delivered the following prepared remarks at the National Water Resources Association Annual Meeting, highlighting the Administration's "cap-and-tax" plan and the need to recognize hydropower as a clean, renewable energy resource:

"I was recently appointed by my colleagues in the House to serve as the Ranking Republican Member of the Natural Resources Committee. I served on this Committee in my first term and took a leave of absence to serve on the Rules Committee, where I managed some of the more controversial natural resources bills during House floor debate. I am now back at the Natural Resources Committee, where many of the issues have a tremendous impact on my district in central Washington and across the West. It's good to be back.

Today, you visit a Washington that is much different than your last annual meeting. We have a new Congress, a new Administration and a much different atmosphere here. Everyone has been reading about the state of our economy. Congress and the Administration are very focused on that – and we should be. There's no doubt that congressional action can play a role in how our future economy operates, but there are legitimate questions over the best way to help the economy and whether a larger, more-controlling role for government is ultimately beneficial or harmful.

I must say that I'm concerned over where this Congress and the Administration are headed. There seems to be a 'federal government knows best' philosophy when it comes to solving our economic ills and a rush to judgment in doing so. Congress has already passed 1.9 trillion dollars in new spending that will be passed on to future generations. With very little debate, in many cases, the Administration has given little guidance in how that spending will be carried out so there are questions about whether those efforts will even stimulate the economy.

We are also making our economy more dependent on foreign energy sources. In fact, just last week the Democrats rushed through a massive 1,200 page, 10 billion dollar bill

that took over 2 million domestic acres out of potential energy production. This was all done in 2 hours of debate with no ability to offer amendments. Meanwhile, the Administration has proposed an expensive cap-and-trade climate change program that could cost \$3,100 dollars to each family per year and hurt a relative emission-free region like the Pacific Northwest. I will go more into this subject later.

One of my colleagues, John Shadegg from Arizona, has rightly said that Congress is good at doing two things: Nothing and Over-Reacting. There was a reason for the ongoing AIG Bonus Fiasco: it's because Congress rushed to ram bailout legislation through without reading or analyzing the bill. This has unfortunately been the norm in the last few months and something needs to change to avoid future embarrassments and finger-pointing. I'm hopeful that Congress will stop rushing to judgment and analyze on a bipartisan basis what the impacts will be on people in the real world.

I just described the overall mood in Congress, so let me turn to what's going on in the House Natural Resources Committee as it relates to your organization. Many of your issues are also my issues. Much of my district in central Washington has been transformed from desert to some of the most fertile agricultural lands in the world thanks to Bureau of Reclamation projects. The Pacific Northwest region is also the least carbon-emitting area of our Nation thanks to a whole series of dams – including Grand Coulee – that produce massive amounts of clean, renewable and emissions-free hydroelectricity that keep water pumps running and the lights on.

As my friends in the audience know, these legendary projects are under constant assault from age and environmental litigation. Despite the known and widely regarded successes associated with the Bureau of Reclamation and Army Corps of Engineers projects, the flow of our Columbia River system has been managed by a federal judge who knows little about science or engineering. In fact, he is a lawyer and Democrat politician. Over the past decade, our projects have been managed by litigation, and judicial action and reaction because of the rigid Endangered Species Act. We are at a point in the West that species are often more important than people.

As we will see at the Committee hearing later today, this fish over people scenario is occurring in California, which is experiencing a catastrophic drought caused by environmental regulations. Even though massive precipitation has soaked the state in the last month, some irrigators will get zero water from the water projects due to a Biological Opinion for the Delta Smelt – a three-inch fish. Roughly 40,000 workers will join the unemployment lines and 300,000 acres of prime farmland will go fallow as a result. The stimulus package failed to address this issue – and it wouldn't have cost a dime of taxpayer money to keep folks working.

Speaking of the stimulus spending, the Bureau of Reclamation received one billion dollars. My Republican colleagues on Resources and I have asked for details as to how this money will be spent, and have urged the Bureau to focus on aging infrastructure. It's vitally important that we protect what we have and what works before we involve the agency in new, unproven missions. Yet, we have received no word from this Administration on what the money will be used for. We have also asked for a hearing on this subject and have been told there will be one in late April. We want to work with you on this hearing.

There has been much talk about whether the Bureau of Reclamation will direct some of its stimulus funding towards new schemes relating to climate change. We hope to hear answers, but the larger issue is over what the Obama Administration plans to do on this topic. I earlier talked about a cap-and trade scheme that the Administration proposed. While the details of this regulatory scheme are still emerging, a new report from Moody's Investor Service predicts that Cap-and-Trade could cause electricity prices to jump by 15 and 30 percent depending on the source and region.

Many of you depend on hydropower generated at federal facilities for your pumping needs, but others here depend on outside electricity providers. You could see your rates increase by double digits under the Obama proposal. In addition, my region has traditionally been hydro-based and thus, relatively emissions-free. The Obama proposal could put my region's economy at a disadvantage relative to other regions, which could get credit for reducing or making more efficient their existing coal or other fossil-based power. Let us be clear what this Cap-and-Trade proposal really is: a national energy tax. The Administration's own people have told Congress it could cost nearly \$2 Trillion.

We must also keep in mind that this cap-and-trade proposal comes at a time when China and India will build almost 800 new coal-fired power plants by 2012. The combined carbon dioxide output from those plants will be five times as much as the total reductions mandated by the Kyoto Accords. But, China and India aren't even covered by the Kyoto Accords and they have no intention of constraining their emissions growth.

Many people inside the Beltway have started to believe that wind and solar are the sole solution to our current energy crisis. I believe wind and solar have an important role to play in meeting our energy needs. Our country truly needs and all-of-the above approach to meeting our energy needs. And while I do not want to spend too much time speculating on the seriousness of these proposals, I would like to simply point out that it gets dark and night and there are times when the wind doesn't blow.

That being said, if capturing the energy of the wind blowing and the sun shining is clean, natural and renewable, then so is water running downhill.

Now, this is an audience I certainly don't need to convince about the benefits of hydropower.

Yet, because of politics, some of the most vocal climate change activists are incapable of plainly stating that low-cost hydropower is a clean energy source, a renewable energy source, and a non-emitting energy source.

By any measure, hydropower IS a renewable energy source and should officially be recognized as such by any legal or regulatory standard established by the federal or state governments.

While it's astonishing that hydropower as a renewable energy source is even a matter of debate, it is even more astonishing that some demand the removal of the four Snake River

dams in the name of climate change.

This is pure politics and hypocrisy at its worst.

Replacing the power from the dams would involve increased coal and natural gas energy – which was calculated to increase carbon emissions by 3.6 million tons and result in a 59 percent rate increase over the 1990 rate.

Of course, what's not included in these calculations are all of the non-power generation benefits of the dams, most important to this discussion is the replacement of river barge traffic with an estimated 70,000 diesel trucks. This would greatly increase gasoline consumption, traffic, and yes, emissions.

If you are serious about global warming, you can't seriously support Snake River dam removal. Tearing out these dams would make global warming worse and make reducing carbon emissions more difficult.

Another alarming proposal is Clean Water legislation offered by my colleague and the Chairman of the House Transportation Committee, Jim Oberstar, to dramatically expand the reach of the federal government.

When Congress passed the Clean Water Act in 1972, the intent was clear – the federal government, working with the states, should ensure that our water quality is protected. Like so many other federal environmental laws, the Clean Water Act is well intentioned, but radical environmentalists continue to try and expand it far beyond what Congress intended.

As you all know, by removing the term "navigable" from the definitions, the Oberstar bill could lead to control of all waters including ditches, ponds, and irrigation canals.

If this proposal becomes law, the only guarantee is that there will be more paperwork, more bureaucratic red tape and federal micromanagement of private landowners – not better water quality. I urge you in your visits this week to talk to your representatives and their staff to give firsthand accounts of what this means to your customers.

I have shared my concerns with my colleagues on the Transportation and Infrastructure Committee and I'm hopeful that, in the end, Congress will uphold the long-held right of states to control and regulate waters within their boundaries and respect that local governments are fully capable of ensuring the protection of the environment and private property rights.

As I look back on the variety of issues that I had discussed this morning, it would be easy to take a step back and think that we have a daunting task ahead of us - and it is true – that in many regards the decks are stacked against our efforts.

But there is a bright side – many times our opponents speak solely with idealism. They have lofty goals with unknown and potentially economy-crippling consequences. Their arguments and ideas are propped up by emotion – not facts – and they often forget about

the realities at hand.

I believe that we need to work together – to collaborate and deliver a clear message backed with sound information. We need to put forward solutions and point out the impacts of some of these ill-considered proposals under consideration.

To do this – we need the assistance of your individual organizations – and then cohesively through your national one – the NWRA. Together our voice must get louder and stronger.

Then and only then – will we be able to look back and identify the causes that together we have advanced – and the ones we have rightfully thwarted.

With that, I say thank you for inviting me to join you and would like to open it up to a few questions."

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