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NATURAL RESOURCES COMMITTEE

CHAIRMAN DOC HASTINGS

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Water and Power Subcommittee Examines Obama Admin Policies that Could Increase Electricity Rates & Decrease Water Supply

WASHINGTON, D.C. – Today, the House Natural Resources Subcommittee on Water and Power held an <u>oversight hearing</u> examining the spending priorities outlined in the President's FY2014 budget requests for the Bureau of Reclamation (Reclamation), the four Power Marketing Administrations (PMAs), and the U.S. Geological Survey's Water Program. At the hearing, Members discussed the importance of restoring abundance as the mission of federal water and power policies in order to prevent man-made water shortages, job losses, higher electricity prices, and questionable spending.

"The administration's testimony makes it clear that we can expect more of the same from them: increasingly severe government-induced shortages, higher and higher electricity and water prices, massive taxpayer subsidies to politically well-connected and favored industries, and a permanently declining quality of life for our children, who will be required to stretch and ration every drop of water and every watt of electricity in their bleak and dimly lit homes," said Subcommittee Chairman Tom McClintock (CA-04). "I believe that this Subcommittee will seek a different path: one that leads to a new era of clean, cheap and abundant hydro-electricity; great new reservoirs to store water in wet years to assure abundance in dry ones; 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."

Environmental litigation, costly mandates, and other factors have caused Reclamation to stray from its traditional focus of building multi-purpose projects and delivering traditional water and power supplies. The Endangered Species Act, in particular, has caused a serious water reduction on the west-side of California's San Joaquin Valley, where farmers will currently receive only 20 percent of their average allocated water supplies this year due to the Delta smelt, a three inch fish. This, according to local water users, will result in a loss of over \$1 billion in economic activity.

Members also discussed the latest iteration of the Department of Energy Secretary Steven Chu's March 16, 2012 Memorandum to the PMAs, which could still result in higher electricity costs for those who do not benefit from the directives.

"Reclamation and the Bonneville Power Administration have served our region and our country admirably for generations, but they are being challenged repeatedly by litigation, new agendas that undermine their historic missions as outlined in Secretary Chu's Memorandum, and other

factors. The end result of these factors is a negative environment for those who are served by these agencies. Examples of this are the manmade drought that is once again happening in California's San Joaquin Valley and higher water and electricity prices throughout the West," said House Natural Resources Committee Chairman Doc Hastings.

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