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

**Opening Statement**  
**Oversight Hearing on**  
**FY 2011 Administration Budget Requests**  
**for the Power Marketing Administrations**  
**March 4, 2010**

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Today's hearing is for the purpose of providing oversight on the budget requests of the four federal power marketing administrations that provide our hydro-electricity.

I have mentioned before that the central objective of our federal water and power policy was once producing an abundance of both. In the last generation, that policy has changed to the management of shortages and the diversion of billions of gallons of water and billions of taxpayer and ratepayer dollars to serve the pet causes of the environmental Left.

The legendary dams and reservoirs constructed by the prior generation of builders turned desert into farmland, tamed the cycle of floods and droughts, and produced clean, cheap and abundant hydroelectricity that underpinned our prosperity.

The tremendous value of our multi-purpose water storage facilities should be beyond question, and yet today we are watching this legacy undermined by litigation, regulatory restrictions, and even a push by the Left to destroy existing hydroelectric dams.

Although not a part of the agencies we are hearing today, the federal government has just agreed to a process that could destroy four hydroelectric dams on the Klamath that together produce the cleanest and cheapest electricity available to us – enough for more than 150,000 households.

Thirty percent of the electricity bills paid by consumers in the Pacific Northwest today aren't for power generation – they're to meet various environmental regulations while utilities struggle to find affordable and reliable power.

Because of these kinds of policies, Californians today pay the highest electricity prices in the Continental United States. They have already reduced their per capita consumption to the lowest in the nation – lower, in fact, than consumers in Luxembourg, the Cayman Islands and Aruba.

The power customers served by the Central Valley Project have seen their electricity bills artificially inflated because of environmental restoration fund surcharges. Biological Opinions

on Salmon and Killer Whales, which have already devastated the Central Valley's agriculture and economy also now, threaten to decrease hydropower generation at peak summer times. The same Biological Opinion calls for trucking salmon around Shasta Dam -- with the power customers likely bearing much of the cost.

Decreased hydropower generation at our federal dams has to be replaced by other power sources, usually more expensive fossil fuels like natural gas and coal. Replacement power purchases under one agency (Western) testifying here today were \$455 million alone in Fiscal Year 2009.

Under the Democrat Majority's zeal to regulate carbon emissions, this replacement power will be even more expensive after it's taxed.

I would note that there are efforts to integrate wildly expensive wind and solar power into this mix. As my distinguished committee Ranking Member, Doc Hastings, has asked: will this force uneconomic business decisions to the detriment of ratepayers? And could this pet cause lead to taxpayer bailouts under the new Western Area Power Administration borrowing authority scheme?

We need to get back to the basics of protecting and developing the original green energy: hydropower. Like irrigated agriculture, hydropower is being subject to a death by a thousand cuts.

This needs to stop. The more water we can store in our dams and reservoirs, the more inexpensive hydro-electricity we can generate and the more affordable food we can produce.

In short, we need to restore abundant, affordable and reliable water and power supplies as the central objective of our federal water and power policy.

I hope that the testimony today will show the same concern for taxpayers, electricity consumers and employees as it does for political correctness. I want to know how much more is being added to our electricity bills from over-regulation, water use restrictions and mandated use of so-called alternative energy sources. I want to know what plans are underway to increase our hydro-electric resources.

This needs to be the centerpiece of our federal policy, and I am confident that once Americans have had enough of sky-high electricity prices, food prices, unemployment and chronic water and electricity shortages, a new Congress will insist on it.