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**Committee on Natural Resources**  
**Washington, DC 20515**

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**Opening Statement of  
Chairman Tom McClintock  
At the Subcommittee on Water and Power  
Oversight Field Hearing on:**

***“Evaporating Prosperity: How Federal Actions Are Driving Up Water and Power Costs,  
Threatening Jobs and Leaving Arizonans High and Dry.”***  
**Monday, June 4, 2012 in Phoenix, Arizona**

*As prepared for delivery.*

First, I want to thank you to our Arizona colleagues Congressmen Gosar, Schweikert and others for inviting the Subcommittee here today and for being tireless advocates for the people of Arizona.

Second, thank you to the people of Arizona for hosting us.

The Water and Power Subcommittee meets to examine the many federal actions that will increase water and power costs for Arizonans and threaten their prosperity. Many of the issues we discuss today are microcosms of what’s happening in my northern California district, the west and even throughout the entire nation. The information presented today will help us reverse these actions.

Actions taken in DC have direct impact on people in Arizona. This Administration is still considering actions that could force the closure of the Navajo Generating Station. Last year, this Subcommittee and the Subcommittee on Indian and Alaska Native Affairs held a hearing on this very issue. It was abundantly clear that this Administration’s EPA “anti-coal” agenda would have devastating impacts causing thousands of job losses, costing Arizona billions in lost gross state product, increasing water and power costs and threatening Indian water rights settlements.

The EPA failed to listen then and I fear that it’s not listening now. Nothing has changed since our last hearing. Environmental groups think that the NGS is replaceable with \$8 billion in intermittent solar panels. Power from NGS is currently around 5 cents per kilowatt hour – the Grand Canyon Trust’s proposal would likely make this energy four times more expensive -- this insanity must stop.

This Administration is focused on increasing unreliable and highly expensive wind and solar energy in other areas at the expense of existing hydropower power customer costs. The Chu memo is a poorly veiled ideological push from the environmental left to push failed solar and wind energies above other power sources, regardless of cost.

His memo ignores the “beneficiaries pays” concept by making hydropower customers in the west pay for things that don’t benefit them. For example, why should a cotton farmer in Arizona pay for electric vehicle recharging stations in Los Angeles? This memo is cost socialization by administrative fiat.

This Administration’s submission to the environmental fringe on forest management has left federal land a tinder box waiting to burst into flame. An old forester once told me that “the excess timber is going to come out of the forest one way or another. Either it will be carried out or it will be burned out. But it will come out.”

A generation ago, we carried it out and the result was a thriving economy and a healthy forest. But then a radical and retrograde ideology was introduced into our public policy transforming sound forest management practices into what can only be described as benign neglect.

Arizona has experienced the perils of poor federal forest management the last few years and continues to deal with them today. The City of Tombstone is on the front lines of this disastrous policy when it can access the federal forests with only horses and shovels to fix a pipeline.

The vision of this Administration is one of ever increasing water and power prices and rationing of what was once abundant supplies and neglected federal land.

I believe that the American people are awakening to the ramifications of these policies and are willing to join us in fighting against them.

I look forward to our witnesses’ testimony and their ideas on how we can reverse the federal actions that are hindering Arizona’s prosperity.

Again I want to thank Congressmen Gosar, Schweikert for their leadership.