To: Subcommittee on Water, Wildlife and Fisheries Republican Members From: Subcommittee on Water. Wildlife and Fisheries staff: Annick Miller

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Date: May 23, 2023

Subject: Oversight Hearing on "Examining the President's Fiscal Year 2024 Budget Proposals for the U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, National Oceanic and

Atmospheric Administration, and the Power Marketing Administrations"

The Subcommittee on Water, Wildlife and Fisheries will hold an oversight hearing on "Examining the President's Fiscal Year 2024 Budget Proposals for the U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration, and the Power Marketing Administrations" on Tuesday, May 23, 2023, at 10:15 a.m. EDT in 1324 Longworth House Office Building.

Member offices are requested to notify Thomas Shipman (Thomas.Shipman@mail.house.gov) by 4:30 p.m. on Monday, May 22, 2023 if their Member intends to participate in the hearing.

T. **KEY MESSAGES**

- Natural Resources Republicans are focused on promoting access, conservation, innovation, and transparency. The Biden administration's budget falls short on all of these goals and fails to deliver real economic or environmental benefits for the American people.
- Over the past several years, Democrats poured billions of dollars into the U.S. Fish and Wildlife Service without any focus on streamlining burdensome regulations or environmental review process.
- The National Oceanic and Atmospheric Administration is pushing policies that negatively impact recreational and commercial fisheries without regard to the economic impacts.

II. WITNESSES

Panel I

- The Honorable Camille Touton, Commissioner, U.S. Bureau of Reclamation, Department of the Interior, Washington, D.C.
- Mr. John Hairston, Administrator and CEO, Bonneville Power Administration, Department of Energy, Portland, Oregon

- *Ms. Tracey LeBeau*, Administrator and *CEO*, Western Area Power Administration, Lakewood, Colorado
- *Mr. Mike Wech*, Administrator, Southwestern Power Administration, Department of Energy, Tulsa, Oklahoma
- *Mr. Virgil Hobbs*, Administrator and CEO, Southeastern Power Administration, Elberton, Georgia

Panel II:

- *The Honorable Martha Williams*, Director, U.S. Fish and Wildlife Service, Department of the Interior, Washington, D.C.
- *The Honorable Jainey Bavishi*, Deputy Administrator for the National Oceanic and Atmospheric Administration, Washington, D.C.

III. BACKGROUND

The Subcommittee on Water, Wildlife and Fisheries has within its jurisdiction the following agencies within the Department of the Interior (DOI), the Department of Commerce (Commerce), and the Department of Energy (DOE):

- **Bureau of Reclamation,** which oversees or provides funds for multi-purpose storage reservoirs in western states, hydropower generation, federal irrigation projects, water recycling and desalination, and Indian water rights settlements
- U.S. Fish and Wildlife Service, which oversees statutes and activities including the Endangered Species Act, the Marine Mammal Protection Act, the Lacey Act, migratory birds, the national wildlife refuge system, and wildlife and sport fish restoration;
- National Oceanic and Atmospheric Administration, which covers matters relating to commercial and recreational fisheries, the Endangered Species Act, the Marine Mammal Protection Act, coastal zone management and other marine resources; and
- Power Marketing Administrations, which deliver electricity generated from federal
 water projects to wholesale customers such as rural electric cooperatives, municipal
 utilities and Indian tribes.

Budget Top-Line

Although there are numerous matters within each agency, this briefing paper focuses on major topics within each agency's jurisdiction. Specific agency budget breakdowns are below (note: only main accounts are included, and numbers are rounded; for a full breakdown please contact Committee staff). These numbers <u>do not</u> include funding already provided by the Infrastructure Investments and Jobs Act (IIJA, Public Law 117-58) or the Inflation Reduction Act (IRA, Public Law 117-169).

Agency	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request	Change
U.S. Fish & Wildlife Service	\$1.65 billion	\$1.77 billion	\$2.08 billion	\$314 million
NOAA	\$5.9 billion	\$6.3 billion	\$6.8 billion	\$450 million
Bureau of Reclamation	\$2.05 billion	\$1.88 billion	\$1.4 billion	-\$480 million

U. S. Bureau of Reclamation (Reclamation)

Established in 1902. Reclamation (see map 1) manages federal water projects for agriculture, municipal and industrial use, hydropower, environmental purposes and provides flood control and recreation for millions of people in the 17 western states.¹ Through its 338 reservoirs, Reclamation delivers 10 trillion gallons of water to millions of people each year and provides water for irrigation of 10 million farmland acres, which yields approximately 25 percent of the nation's fruit and nut crops, and 60 percent of the vegetable harvest.² Reclamation is the largest wholesale supplier of water in the United States and the second largest producer of hydroelectric power.³



Map 1: Bureau of Reclamation Projects. Source: Library of Congress

The Fiscal Year 2024 (FY24) budget request represents a \$484.4 million reduction in discretionary finding over the FY23 enacted level. While not part of the appropriations request, Reclamation's overall budget for FY24 includes an additional \$2.4 billion in other mandatory federal funding and non-federal funds, which includes \$1.6 billion from IIJA. ⁴

<u>Central Valley Project:</u> Over the past three years, much of the western United States has experienced prolonged, persistent drought and below-average precipitation.⁵ Those same years

¹ U.S. Bureau of Reclamation, Mission. https://www.usbr.gov/main/about/mission.html

² U.S. Bureau of Reclamation, Fiscal Year 2024 Budget Justification. https://www.usbr.gov/budget/2024/FY-2024-Bureau-of-Reclamation-Budget-Justifications.pdf

 $^{^3}$ Id.

⁴ *Id*.

⁵ NOAA, <u>Spring Outlook: Drought to persist, expand in U.S. West and High Plains</u> (March 18, 2021); <u>Spring Outlook: Drought to expand amid warmer conditions</u> (March 17, 2022).

have been some of California's driest on record.⁶ As of late last year, most of California was experiencing severe and extreme drought conditions and the levels of many of its largest reservoirs were well below historic averages.

Since then, more than a dozen atmospheric rivers and cold fronts have brought near-record rain and snow to areas of California. To date, most of California's reservoir levels are at, or above, their historical averages. In addition, the Statewide snow water equivalent (the depth of water that would cover the ground if the snow cover was in a liquid state) is 327 percent of average — with some regions of the State reaching as high as 442 percent of average. As the snow melts, California will continue to face significant flood risks. At a recent WWF Subcommittee field hearing in Tulare, California, Members and witnesses raised concerns that the Biden administration has not focused enough efforts in increasing storage opportunities in the state. The Committee recently passed H.R. 215 (Rep. Valadao), the *WATER for California Act*, to help resolve some of these water supply issues.

<u>Klamath Project</u>: Reclamation's Klamath Project in northern California and southern Oregon irrigates approximately 200,000 acres and is the regional hub for agricultural food production and wildlife refuge habitat for waterfowl in the Pacific Flyway. In addition, tribal nations upstream and downstream within the Klamath watershed depend on water, although their needs may vary depending on their location.

On April 13, 2023, the Bureau of Reclamation announced it allocated 215,000 acre-feet of water from Upper Klamath Lake to be used for farms and ranches in the area this year. ¹³ This has been met with frustration from the farming community who have expressed "serious disappointment in light of the fact that we are currently at 190% of median snowpack in the Klamath basin." ¹⁴

<u>Colorado River Basin</u>: Despite an uptick in higher precipitation levels this winter, the Colorado River basin continues to experience significant drought. In April 2023, Reclamation released a draft Supplemental Environmental Impact Statement (SEIS) that would potentially revise the current interim operating guidelines for the near-term operation of Glen Canyon and Hoover

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⁶ California Department of Water Resources, Current Conditions Major Water Supply Reservoirs https://cdec.water.ca.gov/reportapp/javareports?name=PLOT_SWC

⁷ Camponovo, M. March 19, 2023, *How many atmospheric rivers have hit California this winter?* https://fox40.com/news/california-connection/how-many-atmospheric-rivers-have-hit-california-this-winter/

⁸ California Department of Water Resources, Major Water Supply Reservoirs, May 15, 2023, https://cdec.water.ca.gov/resapp/RescondMain

⁹ California Department of Water Resources, California Snow Water Content, May 16, 2023, https://cdec.water.ca.gov/reportapp/javareports?name=PLOT_SWC

¹⁰ Bhattacharya, S. March 30, 2023. *California's Winter Storms: 25 Atmospheric Rivers, Near-Record Snow, Billions in Damages* https://www.wsj.com/articles/californias-winter-storms-25-atmospheric-rivers-near-record-snow-billions-in-damages-2a4bd219

¹¹ Legislative Field Hearing on H.R. 215 "WATER for California Act" and H.R. 872 "FISH Act" https://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=413035

¹² Press Release: Congressman Valadao's Water for California Act Passes out of the House Natural Resources Committee, April 28, 2023. https://valadao.house.gov/news/documentsingle.aspx?DocumentID=652

¹³ Press Release: Reclamation announces 2023 Klamath Project allocation, \$13 million for drought resiliency, ecosystem enhancement, April 13, 2023. https://www.usbr.gov/newsroom/news-release/4483

¹⁴ King, Jenna. Klamath water leaders upset with 2023 irrigation supply, April 17, 2023. https://www.fox26medford.com/klamath-water-leaders-upset-with-2023-irrigation-supply/

Dams.¹⁵ The draft SEIS analyzes alternatives and measures to address potential shortages under the guise of protecting Glen Canyon and Hoover Dam water supply and hydropower operations and public health and safety in 2024 through 2026 The public comment period ends on May 30, 2023, and the final SEIS is anticipated to be available with a Record of Decision in Summer 2023.¹⁶ This document will inform the 2024 operations for Glen Canyon and Hoover Dams.

In addition, on February 23, 2023, Reclamation released a draft Glen Canyon Dam/Smallmouth Bass Flow Options Environmental Assessment that presented four potential operational flow options, all of which bypass hydropower generation and are aimed at preventing smallmouth bass from spawning and establishing downstream of Glen Canyon Dam. Non-native smallmouth bass and other predatory fish pose a threat to federally listed fish species and other native fish downstream, according to some stakeholders. ¹⁷ Consumer-owned electric system organizations have expressed concerns with the potential loss of hydropower generation as a result of the bypass flows. This loss will lead utilities to purchase higher cost replacement energy. ¹⁸

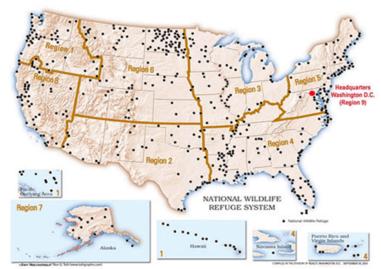
U. S. Fish & Wildlife Service (Service or USFWS)

The Service is responsible for implementing the Endangered Species Act (ESA), the Migratory Bird Treaty Act (MBTA), the Marine Mammal Protection Act, the Lacey Act, and international agreements like the Convention on International Trade in Endangered Species (CITES).

The Service, which manages more than 850 million acres of lands and waters, has over 700 field

stations, which include 568
National Wildlife Refuges (see map 2), 70 National Fish
Hatcheries, 51 Fish and Wildlife
Conservation Offices, 80
Ecological Services Field
Stations, nine Fish Health
Centers, and seven Fish
Technology Centers. 19

As noted above, the FY24 budget request represents a \$314.9 million increase over the FY23 enacted level. The stated primary reasons for this increase are to



Map 2: National Wildlife Refuge System. Source: USFWS

¹⁵ Press Release: Interior Department Announces Next Steps to Protect the Stability and Sustainability of Colorado River Basin, April 11, 2023. https://www.usbr.gov/newsroom/news-release/4480

¹⁷ Draft Glen Canyon Dam/Smallmouth Bass Flow Options Environmental Assessment. https://www.usbr.gov/uc/DocLibrary/EnvironmentalAssessments/20230200-GCDSmallmouthBassFlowOps Draft%20EA 508.pdf

¹⁸ Adaptive Management Work Group Meeting, February 15-16, 2023. Draft Minute Meetings. https://www.usbr.gov/uc/progact/amp/amwg/2023-02-16-amwg-meeting/20230216-AMWGMeeting-DraftMinutes-508-UCRO.pdf

¹⁹ "Budget Justifications and Performance Information Fiscal Year 2024." The United States Department of the Interior. U.S. Fish and Wildlife Service. Page EX-2. <u>fy2024-fws-greenbook.pdf-508.pdf</u>

increase staffing at the Service by 871 full time employees (from 8,536), implementing the "America the Beautiful Initiative," "address climate change effects on FWS trust resources," and to reconnect Americans with the outdoors.²⁰

America the Beautiful / 30x30 Initiative: The Service states that implementing the initiative is a major focus of its budget request and that the request "supports President Biden's call to action to collaboratively conserve, connect, and restore 30 percent of the U.S. land and water by 2030." Committee Republicans have expressed concerns about the lack of clarity surrounding 30x30 since the initiative's infancy. The feasibility of managing additional lands, regardless of the responsible agency, is also called into question based on the existing \$38.6 billion public lands deferred maintenance backlog (\$2.0 billion located on lands managed by the Service). Sample of the control of the con

Inflation Reduction Act (IRA)/ Infrastructure Investment and Jobs Act (IIJA): The IRA appropriated \$250 million to the Service for climate adaptation and resiliency programs within the National Wildlife Refuge System, as well as to facilitate endangered species recovery planning and implementation. The Service indicates that it will utilize this funding to prioritize species that do not have recovery plans or have recovery plans that are outdated. The Service makes no mention of which species, if any, it intends to pursue delisting with these funds. The IIJA provided another \$455 million over 5 years to the agency. That funding is intended to restore parts of the Klamath Basin and Lake Tahoe, as well as to conserve sagebrush habitat and provide fish passage improvements.

Ecological Services: The Service has requested \$171.37 million (a \$50.5 million increase) for the ecological services account.²⁸ The agency intends to use this funding to increase environmental permitting capacity to implement the IIJA, the IRA and to reduce other permitting backlogs.²⁹ The Service, however, makes no reference to reforming the National Environmental Policy Act or the ESA to streamline the permitting process. On March 29, 2023, USFWS submitted a report to Congress outlining the issues the Service is having with its ESA consultation process.³⁰ Included in the report and in the budget request is a proposal that USFWS be given the ability to receive funding authorized by the IIJA from other agencies to carry out the environmental consultation processes under the agency's jurisdiction.³¹

²⁰ *Id.* at EX-4.

²¹ *Id.* at EX-5

²² "Republicans on 30x30: 'Catchy tagline' on an empty package." Jennifer Yachnin. 5/5/21. E&E News. <u>Republicans on 30x30: 'Catchy tagline' on an empty package - E&E News (eenews.net)</u>

²³ Information compiled by the House Natural Resources Committee based on data provided by CRS.

²⁴ "Budget Justifications and Performance Information Fiscal Year 2024." The United States Department of the Interior. U.S. Fish and Wildlife Service. fv2024-fws-greenbook.pdf-508.pdf

²⁵ *Id* ²⁶ *Id*

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²⁸ "Budget Justifications and Performance Information Fiscal Year 2024." The United States Department of the Interior. U.S. Fish and Wildlife Service. <u>fy2024-fws-greenbook.pdf-508.pdf</u>

³⁰ "Report to Congress Review of the ESA Interagency Section 7 Consultation Process and Recommendations for Improving the Process." U.S. Fish and Wildlife Service. 3/29/2023. https://naturalresources.house.gov/uploadedfiles/fws-sect.7 report.3.29.2023.pdf

³¹ "Budget Justifications and Performance Information Fiscal Year 2024." The United States Department of the Interior. U.S. Fish and Wildlife Service. fy2024-fws-greenbook.pdf-508.pdf

<u>Good Neighbor Authority and Stewardship Contracting Authority</u>: The Service is seeking statutory authority to enter into Good Neighbor Authority (GNA) agreements with states, counties, and tribes. ³² The U.S. Forest Service and the Bureau of Land Management currently have this authority. ³³ If GNA is granted, the Service would utilize the authority to better fish and wildlife habitat through vegetation management, such as removing hazardous fuels and treating insect/disease infected trees. ³⁴

Endangered Species Act: The Service has requested \$27.1 million for species listings (a \$3.66 million increase). In this fiscal year, the Service has issued rules listing species such as the lesser prairie chicken and up-listing the northern long-eared bat, to both of which were opposed by Natural Resources Committee Republicans through a recent Committee hearing and passage of Congressional Review Act resolutions. In FY24, there are pending listing decisions for species, such as the monarch butterfly, which would have impacts in all of the lower-48 states. In this Congress, the Water, Wildlife and Fisheries (WWF) Subcommittee has held two hearings on legislation to reform the ESA 40. These hearings resulted in six bills being favorably reported out by the Committee on April 27, 2023. In this Committee on April 27, 2023.

<u>Lead Ammunition and Fishing Tackle in National Wildlife Refuges:</u> On November 29, 2021, the Center for Biological Diversity (CBD) filed suit against the DOI in the U.S. District Court for the District of Montana⁴² stating the effects of lead ammunition and tackle to the National Wildlife Refuge System.⁴³ The Biden administration reached a settlement agreement with CBD in November 2022 that mandated USFWS to take steps to protect wildlife "harmed by expanded hunting and fishing" on refuges.⁴⁴ Also included in the settlement are USFWS promises to expand lead ammunition bans as a part of the 2023-2024 annual rule governing management of the NWRS. USFWS also agreed to respond to CBD's petition to ban lead ammunition and fishing tackle across all refuges.⁴⁵ There are serious concerns among stakeholders about how any

https://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=115633 and https://docs.house.gov/Committee/Calendar/ByEvent.aspx?EventID=115638

³² "Budget Justifications and Performance Information Fiscal Year 2024." The United States Department of the Interior. U.S. Fish and Wildlife Service. fy2024-fws-greenbook.pdf-508.pdf

³³ *Id*

³⁴ *Id*.

³⁵ "Budget Justifications and Performance Information Fiscal Year 2024." The United States Department of the Interior. U.S. Fish and Wildlife Service. Page EX-10. <u>fy2024-fws-greenbook.pdf-508.pdf</u>
³⁶ 87 EP 72674

³⁷ "U.S. Fish and Wildlife Service extends effective date to reclassify northern long-eared bat as endangered." Georgia Parham. U.S. Fish and Wildlife Service. Effective date to reclassify northern long-eared bat as endangered extended | U.S. Fish & Wildlife Service (fws.gov)

³⁸ Press Release: Committee Spotlights Outdated Endangered Species Act, April 18, 2023. https://naturalresources.house.gov/news/documentsingle.aspx?DocumentID=413080

³⁹ "Endangered Species Act Petitions Received by Fish and Wildlife Service." Environmental Conservation Online System. ECOS: Endangered Species Act Petitions Received by Fish and Wildlife Service (fws.gov)

⁴⁰ WWF Hearing on March 23, 2023 and April 18, 2023

⁴¹ House Natural Resources Full Committee Mark-up on April 27, 2023.

https://naturalresources.house.gov/uploadedfiles/markup_memo_fc_mu_of_9_bills_04.27.26.pdf

⁴² "Greens sue to block expanded hunting on wildlife refuges." Michael Doyle. E&E News. 11/29/21. <u>Greens sue to block expanded hunting on wildlife refuges - E&E News (eenews.net)</u>
⁴³ *Id.*

⁴⁴ "Biden's war on hunting faces blowback from Republicans, sportsmen groups." Thomas Catenucci. Fox News. 4/30/23. https://www.foxnews.com/politics/bidens-war-hunting-faces-blowback-republicans-sportsmen-groups
⁴⁵ Id.

proposed ban on lead ammunition and fishing tackle would affect hunting and angling access and funding for wildlife conservation.⁴⁶

To address these concerns, the WWF Subcommittee held a hearing on May 10, 2023, that included H.R. 615 (Wittman), the "Protecting Access for Hunters and Anglers Act of 2023." This bill would prohibit the Service from issuing a refuge system-wide ban on lead ammunition and fishing tackle, while allowing the Service to issue unit-specific bans that are backed up by scientific field data and are consistent with the laws of the surrounding state.⁴⁷

National Oceanic and Atmospheric Administration (NOAA)

The FY24 budget request for NOAA is \$6.8 billion, a \$407 million increase from the FY23 enacted level. 48 NOAA's core mission and activities include weather forecasting, climate prediction, and management of fisheries, coastal and ocean resources, as well as research to support and advance these operational areas. NOAA carries out this mission through six major line offices:

- National Ocean Service (NOS), responsible for mapping and charting coastal areas and providing other navigation support services.
- National Marine Fisheries Service (NMFS), responsible for stewardship of living marine resources through the conservation, management, and promotion of healthy ecosystems.
- Office of Oceanic and Atmospheric Research (OAR), responsible for research in support of most NOAA missions including atmospheric, coastal, and oceanic sciences, climate and air quality research, ecosystem research, and fisheries and marine mammal research. The Committee shares jurisdiction with the House Science, Space and Technology Committee over this line office.
- National Weather Service (NWS), responsible for weather forecasts and warnings. The House Science, Space and Technology Committee has jurisdiction over this line-office.
- National Environmental Satellite, Data and Information Service (NESDIS), responsible for satellite operations and acquisitions as well as environmental data and information. The House Science, Space and Technology Committee has jurisdiction over this line-office.
- Office of Marine and Aviation Operations (OMAO), manages and operates NOAA's fleet of 15 research and survey ships and nine specialized environmental data-collecting aircraft. The NOAA Commissioned Officer Corps is under this line office. The

⁴⁶ Id

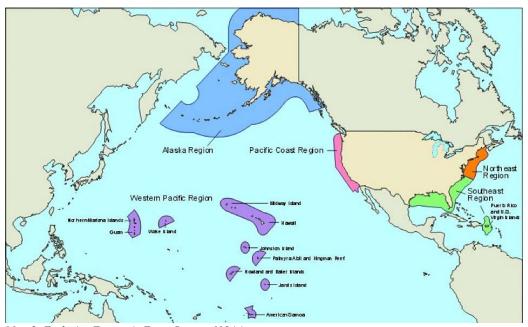
⁴⁷ H.R.615 - 118th Congress (2023-2024): Protecting Access for Hunters and Anglers Act of 2023 | Congress.gov | Library of Congress

⁴⁸ National Oceanic and Atmospheric Administration, FY 2024 Budget Summary, https://www.noaa.gov/sites/default/files/2023-05/NOAA Blue Book 2024.pdf.

Committee shares jurisdiction with the House Science, Space and Technology Committee over this line office.

While the Committee on Natural Resources has jurisdiction over NMFS, NOS, and shares jurisdiction with the House Science, Space and Technology Committee on parts of the OMAO and OAR, this memo will focus on NMFS and NOS. For a full breakdown of the other line offices, please contact Committee staff.

National Marine Fisheries Service: The NMFS line office manages 460 marine and anadromous fish stocks within the U.S. Exclusive Economic Zone (EEZ) (see map 3), as well as invertebrates, sea turtles, marine mammals, and other marine and coastal species and their habitats. ⁴⁹ The United States' EEZ are waters under federal jurisdiction, they generally extend up to 200 nautical miles. ⁵⁰ Coastal states generally have jurisdiction over the first three nautical miles, except for Texas, western Florida, and Puerto Rico, which have jurisdiction over the first nine nautical miles. ⁵¹ The FY24 budget requests \$1.28 billion for NMFS, an increase of \$26 million from FY23 enacted levels. ⁵² The main reasons provided by the administration for the increase are for adding funding for climate change adaptations and offshore wind permitting activities. ⁵³



Map 3: Exclusive Economic Zone. Source: NOAA

⁴⁹ *Id*.

⁵⁰ National Oceanic and Atmospheric Administration, What is the EEZ? https://oceanservice.noaa.gov/facts/eez.html

⁵² National Oceanic and Atmospheric Administration, FY 2024 Congressional Justification, https://www.noaa.gov/sites/default/files/2023-04/NOAA FY24 CJ.pdf.

⁵³ National Oceanic and Atmospheric Administration, FY 2024 Budget Summary, https://www.noaa.gov/sites/default/files/2023-05/NOAA Blue Book 2024.pdf.

Red Snapper: The Center for Sportfishing Policy (CSP) recently released its "Modern Fish Act Implementation Report," which monitored and graded "how the federal government is implementing major milestones of the Modernizing Recreational Fisheries Management Act of 2018 (Modern Fish Act). The Modern Fish Act was enacted in December 2018 and, according to CSP,⁵⁴ "recognizes that recreational and commercial fishing are fundamentally different endeavors and should be managed accordingly and adds more appropriate management tools for policymakers to use in managing federal recreational fisheries."55 While the report indicated that NMFS is improving on some matters of implementing this law, CSP indicated that the agency is "not yet meeting expectations" as it relates to the statute's section requiring the improvement of federal-state cooperative data collection.⁵⁶

Most concerning to CSP was that NMFS announced a final rule to calibrate red snapper data collected by the Gulf of Mexico States (Alabama, Florida, Louisiana, Mississippi, and Texas) to the Marine Recreational Information Program (MRIP) on December 1, 2022. Recreational anglers believe that MRIP remains incapable of providing the precision and accuracy needed for in-season management, which leads to faulty federal management actions that reduce allowable catch of red snapper.

Offshore Wind (OSW): NOAA has stated it will need to work closely with the Bureau of Ocean Energy Management (BOEM) to minimize the effects of offshore energy projects on protected marine resources, fisheries, and important habitats; reduce delays and minimize adverse economic impacts to the fishing industry and related coastal communities. BOEM is responsible for leasing areas for offshore wind in federal waters. Last year, NMFS and BOEM announced a joint strategy to address potential impacts of offshore wind energy development on NMFS's scientific surveys, which include fishery stock assessments and endangered species population surveys.⁵⁷ NOAA pays for these surveys or any impact from offshore wind on these surveys.⁵⁸ These surveys are essential for sustainably managing our fisheries. The FY24 budget requests \$60 million to support wind energy development and mitigate potential impacts of offshore wind energy projects.⁵⁹

Proposed Modifications to North Atlantic Right Whale Vessel Speed Restriction Rule: On August 1, 2022, NMFS published in the Federal Register a proposed rule that changes the current North Atlantic right whale vessel speed rule. 60 The proposed rule, which is still pending, would expand the geographic area (to the whole east coast of the United States) and size of vessels that are subject to the rule (includes vessels from 35 to 65 feet). The proposed rule is opposed by many in

⁵⁶ *Id*.

⁵⁴2023 Modern Fish Act Implementation Progress Report, Center for Sportfishing Policy. http://www.sportfishingpolicy.com/2019-modern-fish-act-implementation-progress-report/ ⁵⁵ *Id*.

⁵⁷ Press Release: NOAA and BOEM announce joint strategy for fisheries surveys, December 5, 2022. https://www.noaa.gov/news-release/noaa-and-boem-announce-joint-strategy-for-fisheries-surveys

⁵⁸ NOAA Fisheries and BOEM Federal Survey Mitigation Implementation Strategy - Northeast U.S. Region https://repository.library.noaa.gov/view/noaa/47925

⁵⁹ National Oceanic and Atmospheric Administration, FY 2024 Budget Summary, https://www.noaa.gov/sites/default/files/2023-05/NOAA Blue Book 2024.pdf.

⁶⁰ Amendments to the North Atlantic Right Whale Vessel Strike Reduction Rule. 87 Fed. Reg. 46921-46936

the recreational fishing and boating community.⁶¹ Should the proposed rule move forward, implementation would occur in FY24.

<u>National Ocean Service (NOS)</u>: The NOS line office is responsible for assisting maritime commerce through navigation, shoreline mapping, and nautical charting, coastal science research such as coral reef restoration work and ocean and coastal management through the implementation the Coastal Zone Management Act and the National Marine Sanctuaries Act. The FY24 budget requests \$714 million for NOS, a decrease of \$113 million from FY23 enacted levels. ⁶²

<u>America the Beautiful / 30x30 Initiative:</u> The Biden Administration's "America the Beautiful" initiative calls on NOAA to expand Marine Protected Areas (MPAs), specifically the National Marine Sanctuaries System and National Estuarine Research Reserve System. According to the U.S. Geological Survey, 26 percent of U.S. waters (including the Great Lakes) are in some type of MPA⁶³ and 32 percent of the country's oceans are already in a natural state.⁶⁴

In March 2023, President Biden directed the Secretary of Commerce to initiate a sanctuary designation process for the waters surrounding the seven islands, atolls, and reef of the Pacific Remote Islands Marine National Monument, both within and outside the boundaries of the existing monument, to the full seaward limit of the U.S. EEZ.⁶⁵ This action was done without engaging Congresswoman Amata Radewagen (R-AS)⁶⁶ and is opposed by all three Pacific territories Governors.⁶⁷

<u>Additional Funding:</u> In addition to annual appropriations, NOAA has received funding from multiple supplemental bills. NOAA's Operations, Research, and Facilities account received \$2.6 billion, and the Procurement, Acquisition, and Construction account received \$180 million from IIJA, with both accounts to remain available until September 2027.⁶⁸

The IRA provided \$3.3 billion to NOAA, including \$2.6 billion to invest in coastal communities and climate resilience, \$200 million for facilities, \$20 million for efficient and effective reviews,

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⁶¹ Press Release: Vessel Speed Restrictions Will Cripple Coastal Communities, Fail to Protect Right Whales. October 4, 2022. https://www.sportfishingpolicy.com/media-room/vessel-speed-restrictions-will-cripple-coastal-communities-fail-to-protect-right-whales/

⁶² National Oceanic and Atmospheric Administration, FY 2024 Congressional Justification, https://www.noaa.gov/sites/default/files/2023-04/NOAA FY24 CJ.pdf.

⁶³ Marine Protected Areas 2020: Building Effective Conservation Networks, Lauren Wenzel, Mimi D'Iorio, Charles Wahle, Gonzalo Cid, Zachary Cannizzo, Katherine Darr, 2020.

 $[\]underline{https://nmsmarineprotected areas.blob.core.windows.net/marineprotected areas-prod/media/docs/2020-mpa-building-effective-conservation-networks.pdf}$

⁶⁴ Could Biden use private land to reach 30x30 goals?, Jennifer Yachnin, February 17, 2021. https://www.eenews.net/stories/1063725297

⁶⁵ White House: Memorandum on Conserving the Natural and Cultural Heritage of the Pacific Remote Islands, March 24, 2023. https://www.whitehouse.gov/briefing-room/presidential-actions/2023/03/24/memorandum-on-conserving-the-natural-and-cultural-heritage-of-the-pacific-remote-islands/

 ⁶⁶ Press Release: Amata Raises Concerns About Massive New 777,000 Square Miles of NMS Around the Pacific Remote Islands March 23, 2023. https://radewagen.house.gov/media-center/press-releases/amata-raises-concerns-about-massive-new-777000-square-miles-nms-around
 67 Letter from Governors of American Samoa, Guam and Northern Marianas. March 27, 2023. <a href="https://republicans-ntspecifical-republicans

⁶⁷ Letter from Governors of American Samoa, Guam and Northern Marianas. March 27, 2023. https://republicans-naturalresources.house.gov/UploadedFiles/Territorial Governors letter to POTUS re proposed National Marine Sanctuary in the PRIA 042823.pdf

⁶⁸ Infrastructure Investment and Jobs Act, P.L. 117-58, p. 927-929.

\$150 million for forecasting and research, \$50 million for competitive grants, \$190 million for computing capacity and research and \$100 million for acquisition of hurricane forecasting aircraft. ⁶⁹

In the Disaster Relief Supplemental Appropriations Act of 2023 (Division N of P.L. 117-328), NOAA's Operations, Research, and Facilities account received an additional \$91 million, and the Procurement, Acquisition, and Construction account received an additional \$435 million.⁷⁰

Power Marketing Administrations (PMAs), Department of Energy

There are four PMAs (see map 4 below): The Bonneville Power Administration, the Western Area Power Administration, the Southwestern Power Administration, and the Southeastern Power Administration. Each PMA markets and delivers (via transmission lines) electricity generated at federal dams and reservoirs operated by Reclamation and the U.S. Army Corps of Engineers (Corps).⁷¹ Hydropower is produced when water is released through dams, spinning turbine blades that are connected to generators to produce energy. In specific regions, it constitutes a significant source of electricity (i.e., 66% in Washington State).⁷² Hydropower

currently accounts for 31.5% of total U.S. renewable electricity generation and about 6.3% of total U.S. electricity generation.⁷³

Hydropower is renewable and emissionsfree and can be adjusted quickly to match real-time changes in electricity demand. It not only provides power for baseload (fulltime) needs and peak times, but also serves as a backup generation source for intermittent wind and solar power.⁷⁴ It is generally low-cost compared to other generation sources.⁷⁵

Under numerous authorizing statutes, PMAs must give preference to not-forprofit public bodies and electric

PMA Map



Map 4: Power Marketing Administrations. Source: DOE

cooperatives (known as "preference customers"), selling this power at cost-based rates set at the lowest possible rate "consistent with sound business principles." PMA customers are responsible for repaying all power program expenses, plus the interest on capital projects.

⁶⁹ Inflation Reduction Act, P.L. 117–169, p. 211-213.

⁷⁰ Consolidated Appropriations Act, 2023, P.L. 117-328, Division N, p. 747

⁷¹ Bracmort, Kelsi. "Hydropower: Federal and Nonfederal Investment." July 07, 2015. R42579.

⁷² U.S. Energy Information Administration, Washington State profile and energy estimates, https://www.eia.gov/state/?sid=WA

⁷³ Department of Energy, Water Power Technologies Office, Hydropower Basics https://www.energy.gov/eere/water/hydropower-basics

⁷⁴ Wilson, M. Why solar 'tripping' is a grid threat for renewables, E&E News. https://www.eenews.net/articles/why-solar-tripping-is-a-grid-threat-for-renewables/

⁷⁵ National Hydropower Association, http://www.hydro.org/why-hydro/affordable/

⁷⁶ "The Power Marketing Administrations: Background and Current Issues" Congressional Research Service. R45548.

⁷⁷ "Energy and Water Development: FY2024 Appropriations" Congressional Research Service. R47553.

rate structures are followed pursuant to 20 to 50 year contracts the wholesale customers entered into with the federal government. Rates also include the costs of environmental mandates and replacement power services resulting from these mandates, drought and other factors.

<u>Western Area Power Administration (WAPA)</u>: WAPA, created in 1977, can market up to 10,500 megawatts of hydroelectricity produced at Reclamation and Corps dams and the State Department's International Boundary and Water Commission. WAPA serves about 700 wholesale customers over 1.3 million square miles in Arizona, California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah and Wyoming through a 17,000-mile federal transmission system. These wholesale customers, in turn, supply 50 million retail customers. WAPA is financed by annual customer funding and advance payments and appropriations, which are then reimbursed with interest through customer contractual repayment obligations.

One of WAPA's biggest challenges is water variability due to intermittent drought and flooding. Hydropower needs water to generate electricity. Without it, WAPA can buy power on the open market from other sources to meet contractual obligations to its customers. ⁸¹ WAPA may see higher expenses to cover increased power purchases due to low water availability. As drought lowers generation capacity, WAPA purchases power to meet its firm power commitments to customers. ⁸² Other factors, such as the proposed actions by Reclamation to control smallmouth bass below Glen Canyon Dam, would negatively impact hydropower generation and power costs.

The FY24 budget request proposes \$1.69 billion in agency spending, however \$1.59 billion is offset through ratepayer receipts. The remaining amount, \$100 million, would be dedicated to construction, operation, and maintenance of power lines. 83 All of that amount would eventually be repaid by ratepayers. According to WAPA staff, there may be a rate increase in FY24.

Bonneville Power Administration (BPA): Created in 1937, BPA can market and deliver up to 30,000 megawatts of wholesale electrical hydropower generated at 31 Reclamation and Corps facilities (known as the Federal Columbia River Power System or FCRPS) to wholesale customers in Oregon, Washington and parts of Idaho, Montana, Wyoming and Nevada. 84 BPA, which also receives and markets an average of 1,000 megawatts of nuclear energy, serves 142 municipal, rural electric, public utility districts, investor-owned utilities and some energy-intensive industries through 15,000 miles of transmission lines. BPA provides about 28% of the electric power generated in the Northwest, and its resources — primarily hydroelectric — make BPA power nearly carbon free. 85 The agency also sells a significant amount of "surplus" energy to California utilities in some water years.

⁷⁸ Western Area Power Administration, About Us https://www.wapa.gov/about/Pages/about.aspx.

⁷⁹ Western Area Power Administration, "How Western Does Business"

https://www.wapa.gov/newsroom/Publications/Documents/How-WAPA-Does-Business.pdf at 1. 80 Id

⁸¹ WAPA, Summarizing Water Year 2021 Hydrology Conditions, March 10, 2022,

https://www.wapa.gov/newsroom/NewsFeatures/2022/Pages/summarizing-2021-hydrology-conditions.aspx

⁸³ https://www.energy.gov/sites/default/files/2023-03/doe-fy-2024-budget-vol-3-pmas-v3.pdf, at 46

⁸⁴ Bonneville Power Administration, Annual Report 2022. https://www.bpa.gov/-/media/Aep/finance/annual-reports/ar2022.pdf
⁸⁵ Id.

BPA is self-financed and receives no direct annual appropriations from Congress. 86 BPA's annual revenues vary, depending on hydrologic conditions, electricity prices, environmental regulations and other factors. BPA estimates that its overall FY24 budget obligations will be \$4.5 billion, all of which will be repaid by ratepayers. 87 The agency's expenses include operational and capital costs, including power purchases, staffing, infrastructure costs and environmental expenditures (i.e., Endangered Species Act compliance) among other things.

Many of BPA's customers are concerned about the status of the Columbia River Treaty (CRT), which was signed by the U.S. and Canada in 1964. The CRT governs the development and operation of dams in the upper Columbia basin for power and flood control benefits in both countries. Each country can give the other a ten-year notice of termination, beginning in 2014.88 The U.S. Government reached consensus on a high-level position for negotiations of the CRT in June 2015, and received authorization to negotiate with Canada on the CRT in October 2016.⁸⁹ Since then negotiations have been ongoing.

The Federal Columbia River Power System (FCRPS) has been subject to longstanding litigation, creating significant uncertainty on hydropower generation and rates, farming, and navigation. FCRPS operations impact thirteen anadromous species of salmon and steelhead listed for protection under the ESA. 90 Additionally, there are two ESA-listed resident species, bull trout and sturgeon. In May 2016, a federal judge ordered the federal agencies that own and operate the dams — the Corps, Reclamation and BPA — to undertake a new environmental analysis. 91 The order required the agencies to consider breaching four dams on the Lower Snake River in eastern Washington: Ice Harbor, Lower Monumental, Little Goose, and Lower Granite. In 2020, these agencies released a Record of Decision (ROD), as mandated by the court. The ROD did not endorse dam breaching, stating that while that alternative had the "greatest benefits for some species of ESA-listed fish, it would achieve those benefits at the expense of not meeting the other components of the agencies' Purpose and Need Statement for certain EIS objectives."92 In particular, these dams have salmon passage and survival rates of between 93 to 99 percent. 93

The National Wildlife Federation and other plaintiffs sued the federal government on the 2020 ROD. In 2021, the federal government, the State of Oregon, the Nez Perce Tribe and the plaintiffs filed an agreement with the U.S. District Court that outlined how dam operations would be altered in the coming year while allowing for parties to reach further agreement on long-term operations.94

⁸⁶ Department of the Energy FY24 Congressional Budget Request. https://www.energy.gov/sites/default/files/2023-03/doe-fy-2024-budget-vol-3-pmas-v3.pdf

⁸⁷ *Id*.

⁸⁸ *Id*.

⁹⁰ Federal Columbia River Power System, Background https://www.usbr.gov/pn/fcrps/index.html

⁹¹ House, Kelly. Judge rejects feds' Columbia River salmon plan, calls for a rewrite. The Oregonian. May 4, 2016.

⁹³ Executive Summary CRSO EIS, page 24. https://usace.contentdm.oclc.org/utils/getfile/collection/p16021coll7/id/14957

⁹⁴ Press Release: Biden-Harris Administration Announces Steps to Improve Conditions for Salmon in the Columbia River Basin. October 21, 2021. https://www.doi.gov/pressreleases/biden-harris-administration-announces-steps-improve-conditions-salmoncolumbia-river

While the litigation is currently in stay, a mediation process is underway. However, that approach has been criticized. Of concern for many stakeholders is the Biden administration's apparent push to forgo trying to reach a "consensus" resolution and instead to advance a predetermined outcome of dam removal. According to the Inland Ports and Navigation Group and Northwest River Partners:

"Unfortunately, it has become clear that our input is not being heard in the mediation context, leading to more serious concerns that a small group of stakeholders is seeking to prescribe decisions for our entire region regarding our climate response, electricity rates, transportation, grid reliability, food and energy security, and the future of river dependent communities without the full opportunity of affected stakeholders to participate." ⁹⁵

Southwestern Power Administration (SWPA): Created in 1943, SWPA markets a combined capacity of 2,194 megawatts of hydroelectric power from 24 multi-purpose dams owned by the Corps. ⁹⁶ SWPA sells the power to over 100 customers in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas through 1,380 miles of transmission lines. ⁹⁷ SWPA's FY24 budget requests \$189 million in spending, offset by \$178 million in electricity customer receipts. Of the remaining amount, \$11.4 million in appropriations is requested to cover transmission maintenance and upgrades, cybersecurity and other matters. ⁹⁸ This appropriated amount, like all program costs, would eventually be recovered by SWPA through power rates charged to customers.

Southeastern Power Administration (SEPA): Created in 1950, SEPA markets 3,400 megawatts of capacity produced at 22 the Corps hydroelectric projects. ⁹⁹ The agency sells wholesale peaking power to more than 472 preference customers in Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Mississippi, Virginia, West Virginia, Kentucky, and Illinois. ¹⁰⁰ These wholesale customers, in turn, supply 12 million retail customers. ¹⁰¹ SEPA does not own transmission lines and depends on arrangements with third parties to deliver federal electricity. ¹⁰² SEPA's FY24 budget request does not request any federal appropriations, primarily because the \$94 million operating budget request is entirely financed with offsetting collections and net billing. All program costs are paid for by SEPA customers through power rates.

⁹⁵ February 6, 2023 letter from the Inland Ports and Navigation Group (IPNG) and Northwest RiverPartners (NWRP) https://republicans-naturalresources.house.gov/UploadedFiles/2023-02-06_Congressional_Memo_on_Mediation_-_Final.pdf

⁹⁶ Department of Energy, Southwestern Power Administration, About. https://www.energy.gov/swpa/southwestern-power-administration

⁹⁷ Id

⁹⁸ Department of the Energy FY24 Congressional Budget Request. https://www.energy.gov/sites/default/files/2023-03/doe-fy-2024-budget-vol-3-pmas-v3.pdf

⁹⁹ Department of Energy, Southeastern Power Administration, About. https://www.energy.gov/sepa/about-us
¹⁰⁰ Id.

¹⁰¹ *Id*.

 $^{^{102}}$ *Id*.