

**Statement of Grayford F. Payne, Deputy Commissioner for Policy, Administration and
Budget
Bureau of Reclamation
U.S. Department of the Interior
Before the
Subcommittee on Water and Power
Committee on Natural Resources
U.S. House of Representatives**

**HR 6060
July 10, 2012**

Chairman McClintock and Members of the Subcommittee, I am Grayford Payne, Deputy Commissioner for Policy, Administration and Budget at the Bureau of Reclamation (Reclamation). I am pleased to provide the views of the Department of the Interior (Department) on HR 6060, the “Endangered Fish Recovery Programs Extension Act of 2012.” With some clarifications described below, the Department would support HR 6060.

The Upper Colorado River Endangered Fish Recovery Program and San Juan River Basin Recovery Implementation Program (Programs) share the dual goals of recovering populations of endangered fish while water development continues to meet current and future human needs. Program actions provide Endangered Species Act (ESA) compliance for more than 2,300 federal, tribal, and non-federal water projects depleting 3.4 million acre-feet of water per year in the Colorado and San Juan rivers and their tributaries. The Programs, authorized by Public Law 106-392, as amended, were established under cooperative agreements in 1988 (Upper Colorado) and 1992 (San Juan) and were funded through the Colorado River Storage Project Act of 1956 (CRSP). Program partners include the states of Colorado, New Mexico, Utah, and Wyoming; the Bureau of Reclamation, Western Area Power Administration, U.S. Fish and Wildlife Service, Bureau of Land Management, National Park Service, and Bureau of Indian Affairs; Native American tribes; environmental organizations; water users; and power customers.

Public Law (PL) 106-392 expressly authorized the use of a maximum of \$6 million per year (indexed for inflation) in CRSP hydropower revenues from Glen Canyon Dam and other CRSP facilities to support the base funding needs of the Programs through 2011. Base funding is used for program management, scientific research, fish population monitoring, fish stocking, control of non-native fish, and operation and maintenance of capital projects.

Section 2 of HR 6060 as introduced would extend the authorization to utilize CRSP hydropower revenues at the current level (up to \$6 million per year adjusted for inflation, or approximately \$7.6 million in 2012 dollars) through 2019 to support the base funding needs of both Programs. The Program’s recovery goals extend to the year 2023¹, and that date has been recognized in prior versions of this bill during three consecutive sessions of Congress². However we

¹ The most recent drafts of the recovery goals (2008) contain the following time frames for delisting the four endangered fish species: humpback chub (2016), Colorado pikeminnow (2021), razorback sucker (2023), and bonytail chub (2023). These documents are currently under review and final documents are not yet available.

² HR 7169 (110th Congress), HR 2288 (111th Congress), S. 1453 (111th Congress), and S. 1224 (112th Congress).

understand that HR 6060's extension to the year 2019 is linked to a limitation in the House's current rules regarding the length of authorizations for all programs, and has no linkage to these specific Programs. Section 2 of the bill would also direct the preparation of a second report to Congress on the utilization of hydropower revenues³ by 2018, with new requirements that the report describe the status of listed fish with projected dates for downlisting and delisting them under the ESA.

The Department believes that the CRSP Act of 1956 provides the underlying authority for the use of hydropower revenues to support the base funding needs of the Programs. From that perspective, HR 6060 provides complementary authority to continue using power revenues for base funding in our view. We understand the Program partners' desire for certainty, and we recognize that PL 106-392 provided a good approach to implementing the Programs. For that reason we support the complementary use of that authority and support HR 6060. The Department, however, reserves the right to comment on any specific funding offset that may be suggested in order to meet the Committee's funding requirements.

Section 3 of HR 6060 would limit the rates of cost recovery by the U.S. Fish and Wildlife Service on any transfers to the agency for activities associated with the Programs. The Bureau of Reclamation transfers funds to the Fish and Wildlife Service to conduct work under the Recovery Programs. With the funds provided by Reclamation, the Service conducts biological research, monitors fish populations and their responses to recovery actions, implements non-native fish control, produces endangered fish for stocking and provides program management services. The Service charges Reclamation a reduced overhead rate of 11% for these activities. Fish and Wildlife Service Policy (264 FW 1) and the Office of Management and Budget (OMB) Circular A-25 require that the Service recover full costs of providing goods and services to private entities, States, tribes, and other government agencies. This achieves the dual objectives of ensuring that the service, sale, or use of Service goods or resources are provided to agencies in a self-sustaining manner; and promoting efficient allocation of our resources by establishing charges that reimburse the Service for these activities. Limiting the cost recovery rate to 3 percent would make it impossible for the Service to recover the full costs of providing these services. We would be happy to work with the Committee to explore alternative language regarding cost recovery.

Section 4 of HR 6060 would direct that no federal funds may be used for any Departmental employees or detailees to travel to any locations to “. . . advocate, lobby, or attend meetings that advocate or lobby . . .” for the Programs. Existing law restricts lobbying with appropriated funds and is applicable to all executive branch agencies, including the Department. This existing provision makes Section 4 unnecessary and duplicative of existing law.

The Upper Colorado and San Juan River Recovery Programs have been nationally recognized for their cooperative approach to recovering aquatic native fish species, avoiding litigation, and providing ESA compliance to federal and non-federal water users. The continued use of CRSP hydropower revenues is critical to the ability of these Programs to realize their goals. There appears to be strong support for this legislation from the Program's non-federal stakeholders.

³ Reclamation submitted the first report pursuant to Section 3(d)(2) of PL 106-392 on April 28, 2010.

This concludes my written statement. I would be pleased to answer questions at the appropriate time.