

**Department of the Interior Highlights of House and Senate Committee Action
on the
Fiscal Year 2009 Energy and Water Development Appropriations Bills**

The House Appropriations Committee marked up its bill on June 25, following the Energy and Water Development Subcommittee's 2009 markup on June 17. The information provided is based on that mark up, although the House never actually filed a report. The Senate reported its bill on July 10, 2008, following the Energy and Water Development Subcommittee's 2009 markup on July 8. It is unknown when either chamber will take up floor action on the bills.

Funding Overview

Both Committees recommend \$33.3 billion for all agencies funded in the bill, including the Army Corps of Engineers, the Department of Energy, the Interior's Bureau of Reclamation and Central Utah Project Completion Act, and other independent agencies. This is \$2.1 billion above the President's budget request of \$31.2 billion.

Highlights of the House and Senate action for Interior's programs include the following:

Bureau of Reclamation

\$000	<u>08 Enacted</u>	<u>09 Budget</u>	<u>House</u>	<u>House+/-</u> <u>08 Enacted</u>	<u>House+/-</u> <u>09 Budget</u>	<u>Senate</u>	<u>Senate+/-</u> <u>08 Enacted</u>	<u>Senate+/-</u> <u>09 Budget</u>	<u>Senate+/-</u> <u>House</u>
Water & Related Resources	949,882	779,320	888,000	-61,882	+108,680	927,320	-22,562	+148,000	+39,320
Policy and Administration	58,811	59,400	54,400	-4,411	-5,000	59,400	+589	0	+5,000
California Bay-Delta Restoration	40,098	32,000	37,000	-3,098	+5,000	42,000	+1,902	+10,000	+5,000
Central Valley Project Restoration Fund	59,122	56,079	56,079	-3,043	0	56,079	-3,043	0	0
Sub-total -- Current Authority	1,107,913	926,799	1,035,479	-72,434	108,680	1,084,799	-23,114	158,000	49,320
DTL Supplemental	175,000	-175,000	-120,000	+55,000	-55,000	0	-175,000	+175,000	+120,000
Total -- Current Authority	1,282,913	751,799	915,479	-17,434	53,680	1,084,799	-198,114	333,000	169,320

The House bill funds Reclamation at \$1.04 billion, which is \$108.7 million above the President's budget, excluding a proposed rescission of the \$175.0 million for Desert Terminal Lakes (DTL). The House includes a rescission of \$120.0 million for DTL. The Senate bill funds Reclamation at \$1.08 billion, which is \$158.0 million above the President's budget, excluding the proposed DTL). The Senate did not include any rescission for DTL. The Senate includes a reduction of \$21.6 million for underfinancing.

Water & Related Resources Account: House Committee funding provided for Water and Related Resources, Reclamation's primary operating account, totals \$888.0 million, which is \$108.7 million above the President's budget. Senate Committee funding for this account totals \$927.3 million, \$148.0 million above the President's budget and \$39.3 million above the House.

Both Committees fund the following key projects at the 2009 President's budget request level:

- Animas La Plata: \$50.0 million
- Colorado River Storage Project: \$6.6 million
- Examination of Existing Structures: \$6.3 million

- Klamath: \$25.0 million
- Land Resources Management: \$7.5 million
- Loan Guarantee program: \$1.0 million
- Lower Colorado River Operation: \$15.3 million
- Native American programs: \$7.0 million
- Pick-Sloan Missouri Basin: \$40.7 million
- Safety of Dams: \$91.3 million
- Science and Technology: \$9.0 million
- Site Security: \$29.0 million
- Water for America \$31.9 million (including Basin studies, Investigations studies, increased Challenge Grants and ESA related activities)

Key projects which the Committees funded at different levels:

- Central Arizona Project: House \$26.5 million, same as the President's budget. Senate \$28.4 million, \$1.9 million above the President's budget and the House.
- Middle Rio Grande: House \$23.2 million, \$500,000 above the President's budget. Senate \$25.7 million, \$3.0 million above the President's budget and \$2.5 million above the House.
- Research - Desalination: House \$2.0 million, the same as the President's budget. Senate \$4.0 million, \$2.0 million above the President's budget and the House.
- Rural Water Projects: House \$83.0 million, \$44.0 above the President's budget. Senate \$155.8 million, \$116.8 million above the President's budget and \$72.8 million above the House.
- Title XVI: House \$44.0 million, \$37.0 above the President's budget. Senate \$16.2 million, \$9.2 million above the President's budget and \$27.8 million below the House.
- Yakima River Basin: House \$16.8 million, \$520,000 above the President's budget. Senate \$17.5 million, \$1.2 million above the President's budget and \$714,000 above the House.

Projects funded by either the House or the Senate that were not in the President's budget:

The House Committee funded 35 projects (\$85.4 million) that were not requested in the budget. Of these 35 projects; 20 were also funded by Congress last year. The Senate funded 25 projects (\$79.4 million); 14 were also funded by Congress last year. Some of the more significant projects, with funding levels not included in the President's budget, include:

- Lewis and Clark Rural Water System: (H) \$25.0 million; (S) \$30.0 million, \$5.0 million more than the House.
- Bay Area Regional Water Recycling Program: (H) \$9.0 million.
- Inland Empire Regional Water Recycling Project: (H) \$5.0 million; (S) \$1.0 million, \$4.0 million below House.
- Rocky Boys/North Central MT Regional Water: (H) \$5.0 million; (S) \$10.0 million, \$5.0 million more than the House.
- San Gabriel Basin Restoration Fund: (H) \$4.0 million.
- Watsonville Area Water Recycling Project: (H) \$4.0 million.

- Ft. Peck Reservation/Dry Prairie Rural Water System: (H) \$4.0 million; (S) \$15.0 million, \$11.0 million more than the House.
- City of North Las Vegas: (H) \$3.0 million; (S) \$3.0 million, same as the House.
- Jicarilla Apache Reservation Rural Water: (H) \$3.0 million; (S) \$1.0 million, \$2.0 million below House.
- Perkins county Rural Water System: (H) \$3.0 million; (S) \$2.0 million, \$1.0 million below the House.
- Desalination Research and Development: (S) within amounts funded, \$2.0 million to New Mexico State University.
- Truckee Canal Reconstruction: (S) \$2.5 million.
- Title XVI: (S) within amounts funded \$2.5 million to the WaterReuse Foundation.

CALFED: The House bill funds the California Bay-Delta Restoration program at \$37.0 million, which is \$5.0 million above the President’s budget in the following components. The Senate bill funds the account at \$42.0 million, \$10.0 million above the President’s budget and \$5.0 million above the House, but does not provide a breakout of the funds.

CALFED Program/Project (\$000)			House+/-		House+/-		Senate+/-		Senate+/-	
	<u>08 Enacted</u>	<u>09 Budget</u>	<u>House</u>	<u>08 Enacted</u>	<u>09 Budget</u>	<u>Senate</u>	<u>08 Enacted</u>	<u>09 Budget</u>	<u>House</u>	
Environmental Water Account	7,000	7,000	7,000	0	0	N/A	N/A	N/A	N/A	
Water Use Efficiency	1,500	0	0	0	0	N/A	N/A	N/A	N/A	
Water Quality	5,250	5,000	6,000	+750	+1,000	N/A	N/A	N/A	N/A	
Storage	11,770	6,450	6,450	-5,320	0	N/A	N/A	N/A	N/A	
Conveyance	6,348	7,050	9,050	+2,702	+2,000	N/A	N/A	N/A	N/A	
Ecosystem Restoration	3,000	1,500	3,500	+500	+2,000	N/A	N/A	N/A	N/A	
Science	4,000	3,000	3,000	-1,000	0	N/A	N/A	N/A	N/A	
Planning & Management	1,230	2,000	2,000	+770	0	N/A	N/A	N/A	N/A	
Total	40,098	32,000	37,000	-1,598	5,000	42,000	1,902	10,000	5,000	

Other Accounts: Both Committees fund the Central Valley Project Restoration Fund at the 2009 request level of \$56.1 million. The House Committee does not accept the Friant proposal to transfer \$7.5 million in funding to the San Joaquin River Restoration Fund. The Senate Committee accepts the Friant proposal and includes legislative text to allow these funds to be utilized in the Central Valley Project Restoration Fund. It is the Senate Committee’s understanding that even if the legislation establishing the new fund is not enacted, inclusion of the Committee’s legislative text would allow Reclamation to undertake the San Joaquin River Settlement Act activities within existing authorities.

The House Committee funds the Policy and Administration account at \$54.4 million, \$5.0 million below the President’s budget. The \$5.0 million reduction is accompanied by report language that expresses the Committee’s dissatisfaction with the Bureau’s five-year plan as submitted in 2008 and lays out clearer guidance as to what should be included in the next submission. In addition, House bill and report language, as in 2008, direct that \$10.0 million is to be transferred from the Policy and Administration account to the Water and Related Resources account if the Secretary does not transmit Reclamation’s next 5-year plan within 90 days of enactment of the bill.

The Senate Committee funds the Policy and Administration account at \$59.4 million, the same as the President’s request and \$5.0 million above the House.

Other Bill/Report Language

In addition to that already described, the bills or reports include the following:

Interceptor drain for the San Luis Unit: Consistent with prior years, both Committees state that none of the funds may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit, until development of a plan by the Secretary and the State of California, which shall conform to the water quality standards of [California] as approved by the Administrator of the Environmental and Protection Agency.

Costs of the Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program: Consistent with prior years, both Committees state that the costs of these programs shall be classified by the Secretary as reimbursable or nonreimbursable and collected until fully repaid pursuant to the “Cleanup Program-Alternative Repayment Plan” and the “SJVDP-Alternative Repayment Plan” described in the report “Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995.” It further directs that any future obligations of funds by the U.S. regarding drainage services or studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries.

Desert Terminal Lakes: In a 2009 Budget Amendment, the President proposes to rescind all funding (\$175.0 million) appropriated in the Food, Conservation, and Energy Act of 2008 for Desert Terminal Lakes. The House Committee rescinds \$120.0 million. The Senate Committee does not rescind any funding.

Underfinancing: The Senate Committee provided underfinancing (to account for schedule slippages, accelerations or other unforeseen conditions) in the amount of -\$21.6 million to be uniformly distributed across all projects.

Reductions: Both Committees are silent regarding the President’s proposed reductions for Reclamation totaling \$4.6 million for travel and relocation costs and performance based contracting. The Committees accepts these reductions.

Central Utah Project Completion Act

	House+/-			Senate+/-					
	08 Enacted	09 Budget	House	08 Enacted	09 Budget	Senate			
CUPCA Total	43,000	42,000	42,000	-1,000	0	42,000	-1,000	0	0

Both Committees fund the Central Utah Project at \$42.0 million, the same as the President’s budget.