

**Statement of Timothy R. Petty, Ph.D., Assistant Secretary Water and Science
U.S. Department of the Interior
Before the
Appropriations Committee
Subcommittee on Energy and Water Development
U.S. Senate
on
The President's Fiscal Year 2020 Budget**

April 10, 2019

Thank you, Chairman Alexander, Ranking Member Feinstein, and members of the Subcommittee, for the opportunity to discuss with you the President's Fiscal Year 2020 budget for the Department of the Interior's Bureau of Reclamation and Central Utah Project Completion Act, or CUPCA, office. I am Tim Petty, Interior's Assistant Secretary for Water and Science, and I appreciate your ongoing support of our programs.

The Department of the Interior touches hundreds of millions of people, and plays an active role in western communities and the national economy. That could not be more evident than when looking at the contributions of the Bureau of Reclamation and CUPCA to our Nation. The Department's 2020 budget supports the Administration's economic goals to manage Federal spending. This reflects our commitment to strike the right balance of protecting yet sustainably using our natural resources, in a manner that provides proper conservation stewardship of our land and resources, enhances the safety of our communities, increases our energy security, and allows our Nation to prosper.

The 2020 budget request for Interior is \$12.6 billion in current funding, with access to an additional \$300 million if there is another severe wildfire season. This request enables Interior to meet our diverse core missions and continue the progress we are making in advancing the Administration's priorities in supporting economic growth and prosperity. America's Federal lands and waters support more than 1.8 million jobs in energy, recreation, grazing, conservation, hospitality, and more. In order to foster innovation and economic growth, Interior is working to reduce regulatory burdens and red tape.

President Trump signed an Executive Order to modernize and reform the executive branch and Interior is leading the way, developing and executing a program that will streamline processes and better serve the American people. We are working to reform regulations that are ineffective and obsolete, and ensure they reflect advances in science and technology. Interior has also established parameters for streamlining environmental review and permitting processes to reduce delays in Federal infrastructure projects and other public and private sector uses of Interior lands.

For decades, uncoordinated regulatory actions diminished the ability of Federal, State and local agencies to efficiently deliver water and power to the West in a cost-effective manner. On October 19, 2018, President Trump signed the "Presidential Memorandum on Promoting the Reliable Supply and Delivery of Water in the West", which directs the Secretary of the Interior

and multiple other agency Secretaries to “work together to minimize unnecessary regulatory burdens and foster more efficient decision-making so that water projects are better able to meet the demands of their authorized purposes.” For example, to address water infrastructure challenges in the western U.S., it instructs the Secretaries of the Interior and Commerce to streamline western water infrastructure regulatory processes and remove unnecessary burdens. In response, Interior and Commerce signed an Agreement to promote the directives established in the Presidential Memorandum, and designated one lead official to coordinate the agencies’ regulatory compliance requirements in California’s Central Valley and in the Klamath River basin. Interior is similarly working with the U.S. Army Corps of Engineers and Department of Energy to coordinate regulatory actions and drive more efficient decision-making through clear leadership, teamwork, and integrated and coordinated reviews in the Columbia River basin pursuant to the significant direction provided by the President’s Memorandum.

In other cross-agency efforts focused on increasing coordination and reducing duplication across Federal agencies when it comes to water issues, I am actively working with my counterparts from multiple agencies with water-related responsibilities. We recognize that working collaboratively we can better support the work that is underway to address water challenges in priority areas including drought, water quality, water reuse, and weather forecasting, among others. These efforts along with the President’s Memorandum will help to ensure Reclamation’s funding is more effectively leveraged with related programs across the Federal government.

Promoting Economic Growth and Prosperity

Interior’s 2020 budget emphasizes the crucial contributions the Department’s diverse missions make to the Nation’s economy. According to Interior’s latest economic report, Interior supports \$292 billion in estimated economic benefit and the Bureau of Reclamation’s activities, including recreation, support over \$62 billion in economic activity and over 457,000 jobs each year.

As the largest wholesaler of water and the second largest producer of hydroelectric power in the Nation, Reclamation’s projects and programs ensure millions of customers receive the water and power essential to support daily life and healthy economies in Western communities. The 2020 budget request of \$1.1 billion supports Reclamation’s work to improve water supply reliability and availability to 31 million people in the West. It invests in efforts to improve hydropower generation efficiency and reliability. To ensure that millions of customers continue to receive essential water supplies and hydroelectric power, the 2020 budget includes \$962 million for Reclamation’s Water and Related Resource programs. Many Reclamation projects provide multi-purpose water resource development benefits, including recreation. Reclamation’s recreation areas represent some of the most popular areas for water-based outdoor recreation activities in the Nation.

The Central Utah Project annually provides 62,000 acre-feet of water for irrigation of over 30,000 acres and over 100,000 acre-feet for municipal and industrial purposes, supplying water to nearly 400,000 people. This water will help address the water demands of the growing population in the Wasatch Front, one of the fastest growing areas in the Nation.

Government Reform: Reorganizing the Department of the Interior

Over the years, Interior's bureaus were established with their own unique regional organizations, which ultimately resulted in a complicated series of 49 regional boundaries among eight bureaus. This complexity led to the situation where bureau regional leadership was often focused on different geographic areas and did not have adequate and shared understanding of the needs and perspectives of regional stakeholders. Opportunities to share administrative capacity across bureaus were difficult to recognize and implement. Members of the public were often frustrated by problems in inter-bureau decision making where uncoordinated timelines and processes could lead to unnecessarily long delays in reaching a decision. The Department's reorganization is focused on making improvements across each of these areas. Interior is working to reorganize its operating structure to establish unified regional boundaries to provide better coordination across the Department to improve mission delivery and focus resources in the field.

On August 22, 2018, after working closely with stakeholders across the country on options to consolidate Interior's 49 different regions into common regions, the Department announced the designation of Interior's 12 new unified regions. As a result of Tribal consultation, the Bureau of Indian Affairs, the Bureau of Indian Education, and the Office of the Special Trustee for American Indians will not realign their regional field structures. Interior will leverage the unified regional structure to improve and streamline business operations using shared services and best practices across the Department, focusing primarily on human resources, information technology, and acquisition services. Work is underway in 2019 to plan implementation, conduct analysis, and identify areas for collaboration within the new regions. The Department's 2020 budget includes a total of \$27.6 million across Interior to support this reorganization. The 2020 budget request for Reclamation includes \$2.3 million to support its participation in these efforts.

Advancing America's Energy Security

The Department has a significant role to play in securing America's energy needs. Through increasing access to public lands and alleviating unnecessary regulatory burdens while balancing conservation objectives, the Department is working to advance economic growth through responsible energy and mineral development on Federal lands and waters. Interior's energy programs help generate some of the Federal government's highest revenues, benefitting local communities as well as the U.S. Treasury.

Reclamation's 2020 request includes \$1.0 million to support hydropower development and research. These activities will support strategic investment in hydropower as an integral part of the Nation's energy strategy. Funding will provide for technological and operational innovation, deriving both additional value from existing Federal infrastructure as well ensuring its continued safe and reliable operation.

The 2020 budget also supports innovation by using prize competitions to target difficult scientific and technological problems related to infrastructure, water availability and hydropower generation. Reclamation's budget includes \$1.3 million to incentivize such research through Reclamation Water and Power Technology Prize Competitions.

Meeting Western Water Needs

Ensuring the availability of water to communities, farmers, ranchers and residents across the West is a central component of Interior's stewardship mission. The 2020 budget supports Interior's work to address America's water reliability and availability and modernize existing water infrastructure. Improving reliability must include addressing water conflicts as well as making technological improvements that increase the capability of our water managers.

As the largest wholesaler of water in the country, Reclamation has a leading role – in coordination with other Federal agencies, State officials, local water users, and interested stakeholders – in developing strategies to help ensure water supplies for future generations. To help address the many challenges faced by water managers, Interior continues the implementation of the WaterSMART Program. The funding proposed in Reclamation's 2020 WaterSMART budget supports collaboration with other Federal agencies and our non-Federal partners in efforts to address emerging water demands and water shortage issues in the West, to promote water conservation and improved water management, and to support local innovation efforts to stretch water supplies.

The WaterSMART funding request for Reclamation in 2020 is \$19.9 million. This investment includes \$10.0 million to continue WaterSMART conservation grants and \$3.0 million for Title XVI water recycling and reuse research grants and is highly leveraged through partner cost-share funding. It also includes \$2.0 million to continue Reclamation's collaborative efforts with non-Federal partners to evaluate water supply and demands in water basins and develop strategies to meet current and future water demands through Basin Studies.

Investment in Interior's infrastructure is crucial to local economies and public safety. Reclamation's state of the art Dam Safety Program continues to be one of the Department's highest priorities, utilizing the latest information and technology to evaluate and address the most pressing safety risks in order to ensure reliability and protect the downstream public. The Dam Safety Program has identified 363 high and significant hazard dams. Reclamation evaluates dams and monitors performance to ensure that risks do not exceed current Reclamation public protection guidelines. The 2020 budget request includes \$92.8 million for Reclamation's Dam Safety Program.

Reclamation's budget request includes funding for specific Extraordinary Maintenance activities that are central to mission objectives of operating and maintaining projects to ensure delivery of water and power. Through constant monitoring and assessment, Reclamation strives to effectively and efficiently use its limited resources to ensure dam safety and to maintain operational capabilities. Reclamation's 2020 budget includes \$114.1 million for extraordinary maintenance, repairs, and replacements.

Expanding Access to Grow the Outdoor Economy

Interior's public lands and waters provide opportunities for all types of recreation, and increasing those opportunities for Americans of all abilities is a significant priority for the Department.

Access to public lands and waters not only provides for personal enjoyment and tranquility for Americans, but also supports local economies and unique educational and interpretive opportunities. Interior's budget proposes to reauthorize the Federal Lands Recreation Enhancement Act, which expires in September 2020.

Reclamation projects play a major role in meeting the increasing public demand for water-based outdoor recreation opportunities. Reclamation projects include approximately 7.8 million acres of land and water and over 240 recreation areas available to the public. This includes 12 designated National Recreation Areas that are managed by the National Park Service or U.S. Forest Service. Through non-Federal partnerships, Reclamation assists local communities in attracting recreation-related investments and involves local citizens in the decision-making process.

With increased use of Reclamation reservoirs for recreation comes the increased need for monitoring and early detection of invasive quagga and zebra mussels, and for outreach and education to prevent infestation. The 2020 Reclamation budget includes \$5.1 million for prevention, early detection and monitoring, containment and control at existing facilities, outreach and education, and research focused on these issues. This funding will support Reclamation's efforts to proactively stop the spread of invasive mussels in the West.

Fulfilling Our Trust Responsibilities

The Department of the Interior is responsible for fostering the government-to-government relationship with Indian Tribes and Alaska Native Villages. The Department is committed to Tribal prosperity and working together with Tribes to address challenges in economic development, education, and law enforcement. Interior supports Indian self-determination to ensure Tribes have a strong voice in shaping Federal policies directly impacting their ability to govern and provide for the safety, education, and economic security of their citizens.

Interior's 2020 budget continues to support Federal responsibilities and tribal needs related to education, social services, infrastructure, and stewardship of land, water, and other natural resources. Interior's budget maintains a strong commitment to meet Tribal settlement agreements. Across Interior, the budget includes \$178.6 million for Indian Settlement commitments. This includes \$132.9 million in Reclamation and \$45.6 million in the Bureau of Indian Affairs.

Central Utah Project

The Central Utah Project Completion Act (CUPCA), Titles II - VI of P.L. 102-575, provides for completion of Central Utah Project construction by the Central Utah Water Conservancy District. The Act also authorized funding for fish, wildlife, and recreation mitigation and conservation; established an account in the Treasury for deposit of these funds and other contributions; established the Utah Reclamation Mitigation and Conservation Commission to coordinate mitigation and conservation activities; and provided for the Ute Indian Rights Settlement. The 2020 budget for the CUPCA program is \$10.0 million. Of this amount, \$3.7

million will be available for planning and construction activities administered by the Central Utah Water Conservancy District, continuing our partnership in the ongoing construction of the Utah Lake System facilities. The budget includes \$4.5 million for program oversight and administration, operations and maintenance in support of fish and wildlife conservation, and endangered species recovery. In addition, \$1.8 million will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission. The 2020 budget also supports Interior's required program oversight activities and endangered species recovery program implementation through the Department's CUPCA Office.

Conclusion

Thank you for the opportunity to testify on behalf of the President's 2020 budget for the Department of the Interior's Bureau of Reclamation and Central Utah Project Completion Act program. I look forward to working with the Committee further on this budget. This concludes my testimony, and I am happy to answer any questions.