

**Department of the Interior Highlights
of House Full Committee Action on the
Fiscal Year 2012 Energy and Water Development Appropriations Bill**

The House Full Appropriations Committee reported its 2012 bill on June 15, following the Energy and Water Development Subcommittee's markup on June 2. The Committee bill provides \$971.3 million for Reclamation, \$91.3 million below the 2011 enacted level and \$47.1 million below the President's request. The bill provides \$28.7 million for CUPCA, \$3.2 million below the 2011 enacted level and \$4.3 million below the President's request.

Funding Overview

The House Appropriations Committee includes \$30.6 billion for agencies funded under the bill, including the Army Corps of Engineers, the Department of Energy, Interior's Bureau of Reclamation and Central Utah Project Completion Act, and other independent agencies. The bill total is \$1.0 billion below the 2011 enacted level and \$5.9 billion below the President's request. Highlights of Committee action for Interior's programs include the following:

Bureau of Reclamation

| <i>(thousands of dollars)</i> Appropriation | 2011 Enacted Level | 2012 President's Budget | 2012 House Committee Mark | House Committee +/- 2011 Op Plan | House Committee +/- 2012 Pres. Bud |
|--|--------------------------|-------------------------------|---------------------------------|---|--|
| Water & Related Resources | 911,673 | 805,187 | 822,300 | -89,373 | 17,113 |
| Policy and Administration | 61,078 | 60,000 | 60,000 | -1,078 | 0 |
| California Bay-Delta Restoration | 39,920 | 39,651 | 35,928 | -3,992 | -3,723 |
| Indian Water Rights Settlement Accounts ¹ | 0 | 51,483 | 0 | 0 | -51,483 |
| San Joaquin River Restoration Fund | 0 | 9,000 | 0 | 0 | -9,000 |
| Central Valley Project Restoration Fund | 49,914 | 53,068 | 53,068 | 3,154 | 0 |
| Subtotal Current Authority | 1,062,585 | 1,018,389 | 971,296 | -91,289 | -47,093 |
| CVP Restoration Fund offset | -49,614 | -52,767 | -52,767 | -3,153 | 0 |
| Total Net Discretionary Authority | 1,012,971 | 965,622 | 918,529 | -94,442 | -47,093 |
| San Joaquin River Restoration Fund Rescission ^{2/} | | | -66,000 | -66,000 | -66,000 |

¹ Newly proposed IWRS account includes \$51.5 million for recently passed settlements including Navajo-Gallup Water Supply Project (\$24.8 million) and four settlements in the Claims Resolution Act of 2010 (\$26.7 million).

^{2/} Rescission of mandatory funds is shown for tracking purposes.

The House Committee funds Reclamation at \$971.3 million, \$91.3 million below the 2011 operating plan and \$47.1 million below the President's budget. Comparisons below the account level are with the 2011 operating plan submitted to Congress on May 13, 2011.

Water & Related Resources Account: The House Committee funds this account at \$822.3 million, \$89.4 million below the 2011 enacted level and \$17.1 million above the President's budget. However, this increase above the President's budget is largely due to

inclusion of \$50.6 million for water settlements. The House rejected the budget proposal to establish a separate Indian Water Rights Settlement account.

The Secretary's WaterSMART initiative is funded at \$38.8 million, \$30.9 million below the 2011 operating plan and \$20.1 million below the President's budget. Funds within the program are allocated as follows:

| (\$000s) | | | | | |
|---|----------------|---------------|---------------|----------------------------|------------------------------|
| Program/Project | 2011 | 2012 | House | House | House |
| | Operating Plan | Pres. Bud | Committee | Committee +/- 2011 Op Plan | Committee +/- 2011 Pres. Bud |
| Basin Studies | 8,288 | 6,000 | 4,000 | -4,288 | -2,000 |
| Cooperative Watershed Mgt. | 0 | 250 | 0 | 0 | -250 |
| Water Conservation Field Services | 7,839 | 5,108 | 4,000 | -3,839 | -1,108 |
| WaterSMART Grants | 33,046 | 18,500 | 10,798 | -22,248 | -7,702 |
| Title XVI Water Reclamation and Reuse Program | 20,542 | 29,000 | 20,000 | -542 | -9,000 |
| Total, WaterSMART | 69,715 | 58,858 | 38,798 | -30,917 | -20,060 |

Other Programs and Projects:

In order to obtain its target, the Committee imposed a roughly two percent pro-rata cut to most projects and programs. The following are funded at the 2012 President's budget request, minus the pro-rata cut. Comparisons against the 2011 operating plan are as follows:

- Animas La Plata: \$12.5 million, \$6.1 million above the 2011 operating plan
- Arkansas Valley Conduit: \$2.9 million, \$87,000 below the 2011 operating plan
- Central Valley Project: \$152.0 million, \$18.1 million below the 2011 operating plan
- Colorado-Big Thompson: \$10.9 million, \$1.8 million below the 2011 operating plan
- Colorado River Basin, Central Arizona Project: \$6.9 million, \$2.5 million below the 2011 operating plan
- Colorado River Basin Salinity Control: \$22.4 million, \$388,000 above the 2011 operating plan
- Colorado River Storage Project: \$12.1 million, \$564,000 below the 2011 operating plan
- Columbia Basin Project: \$7.6 million, \$6.0 million below the 2011 operating plan
- ESA Conservation/Recovery: \$37.1 million, \$4.5 million below the 2011 operating plan
- Klamath: \$18.3 million, \$4.2 million below the 2011 operating plan
- Lower Colorado River Operation: \$25.5 million, \$289,000 above the 2011 operating plan
- Minidoka Area Projects: \$14.2 million. \$9.0 million above the 2011 operating plan
- Native American Affairs Programs: The President's budget requested a new Indian Water Rights Settlement account with funding of \$51.5 million for recently authorized settlements in the Claims Resolution Act of 2010 and the Navajo-Gallup Water Supply project. The Committee rejected the President's request for a separate account and instead funded the individual settlements within the Water and Related Resources account. The Committee reduced funding for these settlements by \$877,000 as part of the pro-rata cuts. Funds for the settlement requests, a subset of Native American Affairs Programs, are allocated as follows:

(\$000s) Discretionary funding only.

| Settlement | 2011 | 2012 | House | House | House |
|------------------------------------|----------------|---------------|---------------|------------------------|--------------------------|
| | Operating Plan | Pres. Bud * | Committee | Comm. +/- 2011 Op Plan | Comm. +/- 2012 Pres. Bud |
| Aamodt | 0 | 9,400 | 9,240 | 9,240 | -160 |
| Crow | 0 | 8,336 | 8,194 | 8,194 | -142 |
| Navajo-Gallup | 9,980 | 24,797 | 24,375 | 14,395 | -422 |
| Taos Pueblo | 3 | 4,000 | 3,932 | 3,929 | -68 |
| White Mtn. Apache | 0 | 4,950 | 4,865 | 4,865 | -85 |
| Total, Rural Water Projects | 9,983 | 51,483 | 50,606 | 40,623 | -877 |

* Funds were requested in new Indian Water Rights Settlement Account, but Committee provided funds in the Water and Related Resources account.

- Rural Water Projects: \$34.9 million, \$27.9 million below the 2011 operating plan. Funds within the program are allocated as follows:

(\$000s)

| Project* | 2011 | 2012 | House | House | House |
|------------------------------------|----------------|---------------|---------------|------------------------|--------------------------|
| | Operating Plan | Pres. Bud | Committee | Comm. +/- 2011 Op Plan | Comm. +/- 2012 Pres. Bud |
| Fort Peck | 1,996 | 493 | 484 | -1,512 | -9 |
| Jicarilla | 499 | 496 | 487 | -12 | -9 |
| Lewis and Clark | 1,996 | 493 | 484 | -1,512 | -9 |
| Mni Wiconi | 29,425 | 26,328 | 25,880 | -3,545 | -448 |
| Pick Sloan (Garrison) | 27,964 | 7,240 | 7,117 | -20,847 | -123 |
| Rocky Boys/N. Central MT | 998 | 493 | 484 | -514 | -9 |
| Total, Rural Water Projects | 62,878 | 35,543 | 34,936 | -27,942 | -607 |

* Amounts are only for the rural water components of these projects.

- Safety of Dams: \$83.7 million, \$11.3 million below the 2011 operating plan
- Site Security: \$25.5 million, \$4.7 million below the 2011 operating plan
- Yakima River Basin: \$14.2 million, \$6.6 million below the 2011 operating plan

Key projects that the Committees funded at levels different than the President's budget request:

- Title XVI, Water Reclamation and Reuse program: \$20.0 million, \$542,000 below the 2011 operating plan and \$9.0 million below the President's budget. Eliminated funding (\$1.5 million) for the Calleguas (CA) Municipal Recycling project because the \$20.0 million ceiling was reached in the FY 2011 Operating Plan, and reduced the Commissioner's Office amount from the requested level of \$23.6 million to \$16.1 million, \$4.4 million above the 2011 operating plan and \$7.5 million below the President's request.
- Desalination Research and Development Program: \$0.0 million, \$3.7 million below the 2011 operating plan and \$2.1 million below the President's request – eliminated based on the authorization for appropriations expiring at the end of FY 2011 under current law.

No projects were funded by the Committee that were not in the President's budget.

CALFED: The Committee funds the California Bay-Delta Restoration program at \$35.9 million, \$4.0 million below the 2011 operating plan and \$3.7 million below the 2012 President's budget. A breakout of this funding is not available at this time.

Other Accounts: The Committee funds the Central Valley Project Restoration Fund at \$53.1 million, \$3.2 million above the 2011 operating plan and the same as the President's budget. The increase for this account is a result of a statutory requirement that calculates funding levels based on a three-year rolling average. The increase is offset by discretionary receipts that are also based on the three-year rolling average calculation.

The Committee funds the Policy and Administration account at \$60.0 million, \$1.1 million below the 2011 operating plan and the same as the President's budget.

The President's budget requested \$9.0 million in discretionary funds in the San Joaquin River Restoration Fund account. The Committee did not fund the request of \$9.0 million. In addition, bill language permanently cancels all (mandatory) unobligated balances and assumes a \$66.0 million savings in the bill as a result.

Other Bill/Report Language

In addition to that already described, the bill or report includes the following:

Interceptor drain for the San Luis Unit: Consistent with prior years, the Committee bill states 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 Protection Agency.

Costs of the Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program: Consistent with prior years, the Committee bill states 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: Unlike the recent past, the Committee did not direct any funding from Desert Terminal Lakes.

Underfinancing: The Committee did not provide any underfinancing (a reduction to account for schedule slippages, accelerations or other unforeseen conditions).

Amendments

Of 24 amendments offered, seven were adopted, and four of those indirectly affect Reclamation and CUPCA:

- An amendment striking language that prohibited certain Davis-Bacon wage and McNamara-O'Hara Service Contract Act requirements.
- An amendment requiring agencies funded in the bill to use "E-Verify" to confirm the eligibility of new hires to work in the U.S.
- An amendment prohibiting the government from entering into contracts or agreements with any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months.
- An amendment prohibiting funds for contracts or agreements with entities with unpaid Federal tax liabilities that have not entered into payment agreements to remedy the liability.

Central Utah Project Completion Act

| \$000 | 2011 Operating Plan | 2012 Pres. Bud | 2012 House Committee | House Comm. +/- 2011 Op Plan | House Comm. +/- 2012 Pres. Bud |
|--------------------|------------------------------------|---------------------------|-------------------------------------|---|---|
| CUPCA Total | 31,940 | 32,991 | 28,704 | -3,236 | -4,287 |

The Committee funds the Central Utah Project Completion Act at \$28.7 million, \$3.2 million below the 2011 operating plan and \$4.3 million below the President's budget.