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ALLRED AND JOHNSON NOMINATIONS

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

ON

THE NOMINATIONS OF C. STEPHEN ALLRED TO BE ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR AND ROBERT W. JOHNSON TO BE COMMISSIONER OF RECLAMATION, DEPARTMENT OF THE INTERIOR

SEPTEMBER 14, 2006

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ALLRED AND JOHNSON NOMINATIONS

THURSDAY, SEPTEMBER 14, 2006

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:03 a.m., in room SD–628, Dirksen Senate Office Building, Hon. Larry E. Craig presiding.

OPENING STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Senator CRAIG. Good morning, everyone. The committee will come to order. We are here this morning to consider the following nominations for positions within the Department of the Interior. C. Stephen Allred to be Assistant Secretary for Land and Minerals Management and Robert W. Johnson to be Commissioner of Reclamation. I welcome both of you before the committee.

At this time, if either of you, Bob or Steve, have brought family with you, I would ask you to introduce them to the committee and to those in attendance. Steve, do you have family with you?

Mr. ALLRED. Thank you, Mr. Chairman. I have my wife of 43 years, in fact of today, 43 years, with me and I also have a nephew who lives here in Washington, D.C., Michael Peterson. Michael.

Senator CRAIG. Wonderful. Well, thank you and welcome to the committee.

Bob.

Mr. JOHNSON. Mr. Chairman, I am pleased to have my wife, Mary, with me here today. We can't state quite that many years. We've been married 32 years. I wouldn't be here without her.

Senator CRAIG. Thank you very much. Well, welcome to all of you. We are pleased to have you before the committee. We will now proceed with the hearing.

Before we begin the testimony, I want to thank both of you for agreeing to undertake these responsibilities. I have known Steve for a good number of years and Bob, just this morning, reminded me that as a national vice president of the FFA, I met him on a mountaintop in Nevada at a leadership camp in the summer of 1966, I believe. So your memory was better than mine, Bob, but anyway, it is a pleasure for me to renew that acquaintance.

I found Steve and certainly my experience with him to be a direct, decisive and knowledgeable when it comes to energy and natural resource issues. I have no doubt that he will bring new ideas to the Department and will ensure successes at all levels.

Of course, Bob, I want to welcome you to the committee. This spring, I toured Hoover Dam, which was one of the projects that you've had with your last post. As we all know, Hoover Dam is an amazing project and its management issues are as complex as the dam is itself and as a Commissioner, I expect you, Bob, will use that fine-turned problem solving skill to deal with Water 2025 and continue its process forward. I would hope, as your predecessor started it. So I very much appreciate both of you gentlemen's willingness to serve our country and serve in these positions.

Before I continue, let me turn to the ranking member of the full committee, Senator Bingaman of New Mexico, for any opening comments he would like to make.

STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

Senator BINGAMAN. Thank you, Mr. Chairman. I know we have our colleagues here waiting to testify. Let me just briefly say I welcome both of the nominees. I had the good fortune to meet with Steve Allred yesterday and enjoyed that opportunity. I know of the record of competent leadership he has provided in Idaho. I also have received very good reports on Bob Johnson and am looking forward to supporting his nomination as well. I do have some questions I want to address to both witnesses when the opportunity arises.

Senator CRAIG. Thank you very much, Jeff. Now let me turn to other of our colleagues who are here to support these nominees. A minority leader of the U.S. Senate, Senator Harry Reid of Nevada. Senator, welcome to the Committee. Please proceed.

STATEMENT OF HON. HARRY REID, U.S. SENATOR FROM NEVADA

Senator REID. Thank you, Senator Craig, Senator Bingaman, for your kind comments. This is an oft-used term, but——

Senator CRAIG. Harry, is your mic on?

Senator REID. I think the mic is on but my voice must not be.

Senator CRAIG. Okay. Thank you.

Senator REID. My notes here say it is a distinct pleasure to speak on behalf of Bob Johnson and that really is true. I underscore and underline that. He is a native Nevadan, from a place called Lovelock, Pershing County and if that weren't reason enough to give him my emphatic endorsement, his wife, Mary, is from Hawthorne, Nevada. These two places, with the State of Nevada being as large as it is, are hundreds of miles apart but they are small and very, very important communities to make the State of Nevada the unique State that it is. So I welcome Bob and Mary to this committee, to Washington, and to this job that will be Bob Johnson's. He has been Director of the Bureau's Lower Collateral Region Office for more than 10 years. During that time, he has been a real asset to me, my staff, the State of Nevada and the Federal Government. He is a man of his word and he will provide leadership as Commissioner. We've had another Commissioner of the Bureau of Reclamation in years past. During the early eighties, we had a wonderful man who recently died, Bob Broadbent, who did such outstanding things like he was visionary in looking forward to the

fact that we needed a new bridge across the Colorado River to ease the burden on Hoover Dam. He, not realizing at the time, the terrorists threats that would come about and the terrific population growth that would take place, but he saw it was necessary and Commissioner Broadbent proceeded on that basis. Bob Johnson will be every bit as good a Commissioner that Broadbent was.

Bob Johnson earned and maintained the respect of everyone, the admiration of everyone while working with issues dealing with the Colorado River, quite possibly the most litigated river system in the entire—I think this is a tribute to his honesty, integrity, determination and fairness. During the 8 years that Bruce Babbitt was the Secretary of the Interior under President Bill Clinton, he was the Secretary's principle negotiator on the interim surplus criteria and I say here and I've said this to Commissioner Acura and to Secretary Babbitt's—in his presence. He was really bad for Nevada on a number of issues, especially as it related to mining. But as far as water, Secretary Babbitt was really tremendous and one reason that he was good, was his son, Bob Johnson, to do a lot of the negotiating with the surplus criteria and it worked out very well.

Under President Bush, Bob has remained a key part of this Reclamation team. As a Senator, from what I believe is the driest State in the union and the home of Hoover Dam, I know what the Bureau of Reclamation can achieve. The first ever project of the Bureau of Reclamation was a project we have in the northern part of the State, near Fallon, Nevada, so we know that the Bureau in the past, has helped the desert blossom like a rose and cities and towns, not only in Nevada but all across the West are thriving and growing because of the work done by Bob Johnson and his predecessors. So I commend the committee for acting quickly on this nomination. I look forward to working with each of you to move Mr. Johnson through the process.

Senator CRAIG. Senator Reid, thank you very much. Now, let me turn to my colleague from Idaho, Senator Mike Crapo.

STATEMENT OF HON. MIKE CRAPO, U.S. SENATOR FROM IDAHO

Senator CRAPO. Thank you very much, Senator Craig, Senator Bingaman, Senator Thomas. It is truly an honor for me to have been invited to introduce to you today, Steve Allred, who is the President's nominee for Assistant Secretary of the Interior for Land and Minerals Management. Senator Craig and my colleague from Idaho, who joins me in recommending this exceptional individual for this position knows him very well, just as I do. I appreciate the chance to share a few comments on Steve's qualities and his qualifications.

As you well know from reviewing his credentials, Steve brings a distinguished background in public service, environmental protection and private sector know-how to this post. His long experience shows a commitment to the principle of collaboration in solving environmental challenges, a skill that is unfortunately all too rare. From January 1999 until June 2004, Steve served as the director of Idaho's environmental regulatory agency known as the Idaho Department of Environmental Quality. In that capacity, Steve was entrusted with enforcing State and Federal laws protecting our envi-

ronment. In any circumstance, this would be challenging as a major endeavor. But Steve wanted to do more than be the one who told people no. He charged himself and his staff with finding solutions to problems, opportunities for shared interests and results, and a process that sought collaboration over discord. I had the chance to work closely with Steve on a number of pressing environmental problems in Idaho and each time, he consistently worked to promote solutions in which each stakeholder and affected person could feel comfortable and invested in the outcome.

In north Idaho, Steve took leadership in developing and chartering a community-based panel to evaluate environmental hot spots and make recommendations for cleanup. When overlapping Federal, State and local officials clashed with each other and business leaders in resource-dependent economic areas of Idaho, Steve tirelessly managed diverging views and put together a plan for environmental protection and remediation, with which all could be comfortable.

He helped resolve a legal battle between an environmental group and a local transportation planning authority that threatened to stop all highway maintenance work and planning in one of the fastest growing regions of our country. Each of these examples helps to illustrate the collaborative approach that Steve applies to conflict resolution. While it is hardly the easiest or quickest means for resource management and regulation, it is one that ensures the greatest number of people have confidence in and comfort with the decisions that are made. I believe Steve understands this because during his career, he has been on both sides of the table. He worked for 17 years with Morrison-Knudsen, where he served as president of the company's environmental services group, overseeing the environmental compliance of engineering projects. While at Morrison-Knudsen, Steve had the responsibility for understanding applicable laws and ensuring that company projects met those standards.

Presently, Steve owns a consulting firm that provides this same advice to some of our largest resource-based operations in Idaho, including CH2M Hill and CWI and as well, he is serving as a member of the U.S. Department of Energy's Environmental Management Advisory Board.

Joint stewardship of our natural resources should be characterized by partnership, not conflict. I commend Steve Allred to you because he understands and embraces this philosophy. He comes with the highest endorsement from members of the business community and across the political spectrum in Idaho. Steve will be a tremendous addition to this administration as Assistant Secretary of the Interior and I personally thank him for his willingness to serve the public again. Thank you very much, Mr. Chairman.

Senator CRAIG. Mike, thank you very much for being here on behalf of Steve. Now, let me turn to another one of our colleagues from the State of Nevada, Senator John Ensign, for comments I'm sure he would like to make on behalf of Bob Johnson.

STATEMENT OF HON. JOHN ENSIGN, U.S. SENATOR FROM NEVADA

Senator ENSIGN. Thank you, Mr. Chairman and thank you for holding this nomination hearing today. I join with my colleague, Senator Reid, to introduce one of our constituents, Mr. Robert Johnson. Everybody knows him around our parts as Bob. Mr. Chairman, President Bush nominated Mr. Johnson to be the Commissioner of the Bureau of Reclamation and I commend the President for selecting such an outstanding nominee who has the expertise and demeanor to oversee the Bureau of Reclamation's important mandate of managing water in rest. Mr. Johnson has ably served as the Bureau's Lower Colorado River Regional Director since 1995 and in this role, among many responsibilities, he oversees three major Federal assets: The Hoover Dam, Davis Dam and Parker Dam. These critical assets have been kept secure after the terrorist attacks of September 11.

Mr. Johnson has a deep understanding of the Colorado River. The Colorado River provides water to millions of Americans in the arid West, generates electricity and is home to diverse plants and wildlife. The Las Vegas Valley receives 90 percent of its water supplies from the Colorado River through Lake Mead. So the proper management of the Colorado River really is a life or death issue for Nevadans and our economic well-being. Mr. Johnson, I believe, will do an excellent job balancing the competing needs among different users of scare water and urging cooperation throughout the West, as he has demonstrated with the Lower Colorado River. Mr. Chairman, Bob Johnson is a man of tremendous character and ability. He brings a Nevada can-do attitude to this position. Like me, I know you will find him to be well qualified for the job as Commissioner of the Bureau of Reclamation and I urge the committee to send his nomination to the full Senate and I look forward to his speedy confirmation. Thank you, Mr. Chairman.

Senator CRAIG. Senator, thank you very much for being here. Now let me turn to other colleagues who have joined us. Senator Craig Thomas, Wyoming. Senator, do you have any comments you would like to make before we start?

STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Senator THOMAS. Thank you, Mr. Chairman. I just welcome Mr. Allred and Mr. Johnson. Congratulations on the nomination. Both of these jobs are enormously important to my State of Wyoming and of course, the management of natural resources, water and minerals, is a difficult task. We need to protect them for the future and meet the needs of today. So I look forward to working with you and thank you very much for your willingness to serve.

Senator CRAIG. Craig, thank you very much. Now let me turn to Senator Ken Salazar of Colorado. Ken, any opening comments you would like to make?

STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Senator SALAZAR. Congratulations, Mr. Allred and Mr. Johnson, for your nominations. I look forward to working with you and I look

forward to the hearing this morning. Congratulations to your families as well. Thank you, Mr. Chairman.

Senator CRAIG. Ken, thank you. Gentlemen, the rules of the committee, which apply to all nominees, require that they be sworn in, in connection with their testimony. So would you please rise en route to the table and raise your right hands?

Do you solemnly swear that the testimony you are about to give to the Senate Committee on Energy and Natural Resources shall be the truth, the whole truth and nothing but the truth?

Mr. ALLRED. I do.

Mr. JOHNSON. I do.

Senator CRAIG. Please be seated. Before you begin your statements, I will ask three questions that are addressed to each nominee before this committee. Each of you, please respond separately to each question.

Will you be available to appear before the committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

Steve?

Mr. ALLRED. I will, Mr. Chairman.

Senator CRAIG. Bob?

Mr. JOHNSON. I will, Mr. Chairman.

Senator CRAIG. Thank you. Are you aware of any personal holdings, investments or interests that could constitute a conflict or create the appearance of such a conflict, should you be confirmed and assume the office to which you have been nominated by the President?

Steve?

Mr. ALLRED. Mr. Chairman, my investments, personal holdings and other interests have been reviewed both by myself and the appropriate ethics counselors within the Federal Government. I have taken appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof, to my knowledge.

Senator CRAIG. Thank you.

Bob?

Mr. JOHNSON. Mr. Chairman, I similarly have made my financial holdings available for review and I personally reviewed them. The Office of Government Ethics has reviewed them. I don't have any conflicts but in the event there was any question, I would consult with the Government ethics officers to ensure that is the case.

Senator CRAIG. Thank you. Are you involved with or do you have any assets held in blind trust?

Steve?

Mr. ALLRED. Mr. Chairman, I have none.

Mr. JOHNSON. I have none.

Senator CRAIG. Thank you. Each of you now may make a brief statement. I encourage you to summarize your statements. Your entire statements will be included in the record. Following that, we will ask you to respond to some questions.

Mr. Allred, please proceed.

TESTIMONY OF C. STEPHEN ALLRED, NOMINEE TO BE ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR

Mr. ALLRED. Mr. Chairman, distinguished members of the committee, it is a real pleasure to be here and to have you consider me as Assistant Secretary for Land and Minerals. As I introduced a short time ago, my wife, Sally, is here and we have the pleasure of celebrating our 43rd wedding anniversary today.

Senator CRAIG. Congratulations.

Mr. ALLRED. We have two grown children and two grandchildren that we enjoy very much. My background is such, really is shaped by growing up on a farm and ranch in eastern Idaho. I had a father who taught all of—I and my three siblings—that it was very important that we protect the land that we lived on and the land that we used to raise our cattle on because that was our future.

I graduated from Rigby High School in 1960 and then attended the University of Idaho where I received a degree in engineering in 1964 and a Master's Degree in Engineering in 1967. I have 42 years of experience, almost equally divided between government and private sector activities. I served in the cabinets for three different Governors. First, early in my career, where I became director of the Idaho Department of Water Resources. I served there until I left State government in 1981. In 1981, I joined Morrison-Knudsen Corporation, who helped build the West, and worked on many of the projects that it was involved in. That company is now known as Washington Group International. I retired from there in 1998. As you can tell, I haven't done very well in retirement.

During that period of time, I worked extensively with then Senator Dirk Kempthorne. I had known him previously in State government but I had the opportunity to work with him, as the company I was with undertook very important work in removing strategic weapons from the former Soviet Union countries. Senator Kempthorne was part of that in that he was on Armed Services and of course, was responsible for a lot of work that we did.

I also, though, in that career, worked on many projects to develop energy resources and coal, oil shale, tar sands, and geothermal and I have a great appreciation that an important mix of our future energy resources will involve those kinds of activities.

In January 1999, after being retired for a few months, I got a call from then-Governor Kempthorne, asking me to become a member of his cabinet and an important goal that he gave me was to create a Department of Environmental Quality. That had been attempted in Idaho for a number of years and had not been successful. In the year 2000, we created that agency, one of the strongest in the United States, and we did it with no negative votes out of the legislature, so I count that as quite an achievement for him and for me.

I again retired in 2004 and have been involved in some part-time consulting since then. I think that my experience and capabilities give me a lot of background that I think will be valuable in resource management. I certainly appreciate the importance of the stewardship of those resources, but I also recognize that it is important that we have a secure energy future. I think there is great opportunity to meld those two responsibilities together. As you've heard, I am a consensus builder. I believe that the best time to

deal with challenges is before decisions are made and to try to come up with decisions that are win-win for both sides. Mr. Chairman, if I am confirmed, I will dedicate my efforts to work with this committee and with Congress to solve the issues that we have before us. Thank you very much.

[The prepared statement of Mr. Allred follows:]

STATEMENT OF C. STEPHEN ALLRED, NOMINEE TO BE ASSISTANT SECRETARY FOR LAND AND MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR

Mr. Chairman and distinguished Members of the Committee, it is an honor to come before you today to seek your consent as the President's nominee for the position of Assistant Secretary for Land and Minerals Management at the Department of the Interior.

I would like to introduce my wife, Sally, who is here with me today. We have a daughter, Stephanie, and a son, Sean, as well as two wonderful granddaughters, of whom we are very proud!

Let me begin by telling you a bit about myself. I grew up on a potato farm in eastern Idaho, where the values of integrity and hard work were the bedrock of our family. From an early age, I learned that it is both an honor and a responsibility to serve others. My values in life were ingrained in me by a school teacher mother and a farmer/rancher father. They taught me to protect the earth, respect nature, and to always try to leave things better than I found them.

I graduated in 1960 from Rigby High School in eastern Idaho. My family and ranching background led me to degrees in engineering—initially a Bachelor of Science degree in agricultural engineering, followed by a Master of Science degree in water resource engineering both from the University of Idaho.

I became involved in resource management issues early in my career. My first off-the-farm job was with the U.S. Department of Agriculture during summer breaks. After graduating from the University of Idaho, I worked in State government, first in California on the California Water Project, and then in Idaho, where within ten years I became the Director of the Department of Water Resources. I was one of the youngest people ever appointed to that position. During my tenure as Director, I lead the effort in Idaho to develop a State Water Plan, including in-stream flows. I also was responsible during that time for several water rights adjudication cases, which involved many Federal agencies and private parties. The skills I have developed during my career in building consensus and fostering agreement among multiple parties have served me well. They have helped me to reach successful resolution on a number of complex environmental and land management issues, such as the Coeur d'Alene Superfund remedy, which involved a variety of stakeholders with diverse interests, including the State of Idaho, the Federal Government, an Indian tribe, and local citizens. They were also instrumental in my efforts to establish a cabinet-level department in the State of Idaho dedicated to protecting our environment, which I will discuss in greater detail later in this statement.

In 1981, I joined Morrison-Knudsen Corporation (M-K). M-K, now known as Washington Group, International, is one of the largest engineering and construction companies in the United States. As a Group President with worldwide operations, I was responsible for managing a work force of over 2500 professional personnel and administering a budget for a company group (M-K Environmental Group) with revenues in excess of $600 million.

While working at M-K, I was also involved in the evaluation, design, and construction of oil shale projects in Colorado; coal projects in Wyoming, Montana, Texas and the international arena; and geothermal power projects in the United States and Central America. My responsibilities have also included the cleanup and restoration of some of the largest environmentally impacted sites in the nation, both for industry and government, including mining, chemical, and nuclear issues. While at M-K, I experienced the challenge of undertaking large-scale, new development projects in a manner that was compatible with the environment and cultural issues. My awareness of the huge economic and social costs of correcting the mistakes of the past has convinced me that as we develop our own energy resources in order to assure our economic security, we must exhibit good stewardship with appropriately defined responsibilities and environmental safeguards.

In 1999, the year after I retired from M-K, I was asked by the then newly elected Governor of Idaho, Dirk Kempthorne, to become a member of his cabinet. I had known and worked with Secretary Kempthorne when we both served in Idaho State government, and I became better acquainted with him when he was a Member of the U.S. Senate. My position with M-K brought us together as we worked to remove

strategic weapons from the former Soviet Union under the Cooperative Threat Reduction Program.

While I found working in the corporate world both interesting and rewarding, as I look upon my career, I find that serving our citizens has brought me the greatest satisfaction. When Governor Kempthorne asked me to join him in 1999, he had a special vision about how to protect environmental values in Idaho while at the same time encouraging responsible business development.and expansion. He asked me to assist him in establishing a cabinet-level Department of Environmental Quality, which required the passage of special legislation, an effort that for over 20 years had been attempted unsuccessfully in the Idaho legislature.

I am pleased to tell you that during the 2000 session of the Idaho legislature, we were successful in establishing one of the most comprehensive environmental management organizations in the United States. Moreover, we were able to gain passage of this important legislation with no negative votes—an almost unprecedented event in Idaho. It was during this period that, in 2001, I had the honor of being selected as one of *Governing Magazine's* Public Officials of the Year, in part because of that collaboration.

The approach we used in establishing the Idaho Department of Environmental Quality illustrates the importance that I place on transparency and collaboration to resolve issues and build consensus.

If confirmed, I will approach the issues and challenges confronting the Assistant Secretary of Land and Minerals Management in a manner that enables a wide variety of interests and stakeholders to participate in the discussions, while achieving results efficiently. If confirmed, I look forward to learning more about the wide array of responsibilities and the many challenges faced by the Bureau of Land Management, Minerals Management Service, and the Office of Surface Mining Reclamation and Enforcement.

My approach to leadership is firm, but responsive to the needs of employees and stakeholders. I believe that if people understand expectations, they generally behave responsibly. I expect to be accountable to you and to the public, and I expect accountability from others. I believe it is important for government to have clear laws and rules, and to be responsive to the needs of its citizens and clients. Experience has taught me that results count, and clear processes ensure quality and transparency.

I manage through leadership, and I lead by being involved. If confirmed, I will be involved in day-to-day issues, and I will be responsive.

My experiences in both the public and private sectors have shaped my attitude and philosophy concerning the responsible stewardship of our lands and resources while also meeting our Nation's growing needs for energy, minerals, and recreation. We share that responsibility with stakeholders at all levels of government, Federal, State, and local, as well as with private citizens.

If confirmed, I will strive to carry out my responsibilities through collaboration, cooperation, and transparency.

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you as you consider my nomination. I would be happy to answer any questions you may have. Thank you.

Senator CRAIG. Steve, thank you very much.

Now Bob, let's turn to you.

TESTIMONY OF ROBERT W. JOHNSON, NOMINEE TO BE COMMISSIONER OF RECLAMATION, BUREAU OF RECLAMATION

Mr. JOHNSON. Thank you, Mr. Chairman.

Senator CRAIG. Please proceed.

Mr. JOHNSON. It is a pleasure to be here and to address this committee and offer my testimony regarding my qualifications to serve as Commissioner of the Bureau of Reclamation. President Bush has honored me by his nomination and I am grateful for Secretary Kempthorne's and Assistant Secretary Limbaugh's support. I am also appreciative of the encouragement of my family. Without that, I wouldn't be here today.

At the outset, I would like to make clear my steadfast commitment to the highest ethical standards and conduct throughout the Bureau of Reclamation. I fully recognize and appreciate the enor-

mous trust the public places in each of us to carry out our duties with honor and integrity and I intend to honor that trust. I also have high expectations that all Reclamation employees will know, understand and follow ethics rules and regulations.

I believe that my life experiences have prepared me to be here today and make me qualified to be Commissioner of Reclamation. I was born in Lovelock, Nevada, a small town in the northwest part of the State. My father was a farmer, growing alfalfa hay and grain and raising beef cattle. The water that irrigated our crops came from a Reclamation project. My mother still lives on the farm and my brother also lives there with his family, continuing the family tradition of farming.

After high school, I attended the University of Nevada at Reno. I earned a Bachelor's and Master Degrees in Agricultural and Resource Economics. Upon completion of my Master's Degree, the Bureau of Reclamation hired me and I've been there for the past 31 years. I worked in the Sacramento Office of Reclamation, the Washington, D.C. office, and the office in Boulder City, Nevada. By far, the longest part of my career has been in Boulder City, most notably, the last 11 years as Regional Director.

During my tenure as Regional Director, we've made great progress in the management of the Colorado River but Senators, I cannot take credit for all the things that have occurred there. There is a great community of people on the Colorado River system, the Reclamation staff, the staff of other Federal agencies, the Basin States, the water users, environmental interests and all of these interests deserve credit for what has happened on the Colorado River over the past 10 or 12 or 15 years. It has been absolutely an honor to be part of that progress and the successes that have occurred. The Lower Colorado Region is not the only region of Reclamation to have successes. Other regions have had similar success in a multitude of areas. The can-do attitude of Reclamation employees is second to none and I am truly honored to be asked to provide leadership.

Of course, as good as an organization as Reclamation is, there is always room for improvement. No organization can rest on its laurels. As you and members of the committee know, approximately 6 months ago, Reclamation embarked on a self-assessment of its operations and interaction with stakeholders. This effort, called Management for Excellence, builds upon a review of Reclamation by the National Academy of Sciences and is intended to position Reclamation to be a performance-driven organization. If confirmed as Commissioner, completing and implementing the Management for Excellence program will be my top priority.

Reclamation is carrying out this self-assessment as we speak, in consultation with stakeholders. It is too early or inappropriate for me to speculate on the outcomes but if confirmed as Commissioner, I intend that there will be two hallmarks of the program and that will be transparency and efficiency.

Mr. Chairman, I believe my background and experience make me well qualified to lead Reclamation to solve these difficult problems that exist in Western water. Growing up on a farm gives me a perspective of the views of irrigation districts and rural communities when conflicts occur. Working in the Southwest for the past 20

years, where urban growth has been greater than any other part of the Western United States gave me a sense of the difficulties that urban areas face in meeting water challenges and managing a major river system has also given me an understanding of the complicated interaction between our projects and the environment and the need to comply with Federal laws and regulations and State laws and regulations related to the environment.

I believe I can provide positive leadership to the organization. I seek your support in confirming me as the President's nominee to serve as Reclamation's next Commissioner. I pledge that I will do my absolute best to serve the public interest in the management and development of western water supplies.

[The prepared statement of Mr. Johnson follows:]

PREPARED STATEMENT OF ROBERT W. JOHNSON, NOMINEE TO BE COMMISSIONER OF RECLAMATION, DEPARTMENT OF THE INTERIOR

Mr. Chairman and distinguished Members of the Committee, I am pleased to be here today to offer testimony regarding my qualifications to serve as Commissioner of the Bureau of Reclamation. President Bush has honored me by his nomination, and I am grateful for Secretary Kempthorne's and Assistant Secretary Limbaugh's support. I am also appreciative of the encouragement of my family, especially my wife Mary and my two children, Gabe and Carly. My wife Mary and son Gabe are here with me today.

I believe that my life experiences have prepared me to be here today and make me qualified to serve as Reclamation's Commissioner. I was born in Lovelock, Nevada, a small town located in northwestern Nevada. My father was a farmer, growing alfalfa hay and grain as well as raising beef cattle. The water that irrigated our crops came from a Reclamation project. My mother still lives on the farm, and my brother Dale also lives there with his family, continuing the family tradition of farming.

After high school I attended the University of Nevada in Reno. I earned bachelors and masters degrees in Agricultural and Resource Economics. As I was completing my masters degree in 1975, the Bureau of Reclamation offered me a job as an agricultural economist in Sacramento, California. I accepted and have been with the Bureau of Reclamation since that time. During my 31 year career I have worked in 3 locations and held 7 different job titles. In addition to working in Sacramento, I have served in the Commissioner's office in Washington, D.C., and the Lower Colorado Regional Office in Boulder City, Nevada. Most of my career has been in Boulder City, the most notable period of which has been the last 11 years serving as Regional Director.

During my tenure as Regional Director of the Lower Colorado Region, much has been accomplished. I have had a leadership role in developing and implementing the following significant changes in the management and operation of the Colorado River and the Reclamation projects in the Lower Basin:

- Established customer oversight committees to review and develop operation and maintenance programs at Hoover Dam. These committees established complete transparency in project operations and resolved longstanding concerns of power customers.
- Implemented benchmarking programs at all Lower Colorado River hydroelectric facilities, resulting in significant improvement in cost and efficiency of operations. All three facilities have attained "best in class" status among all the North American hydroelectric facilities participating in the benchmarking program.
- Negotiated and implemented advance funding agreements with power customers at Parker and Davis dams. The funding agreements eliminated the need for Federal appropriations and established transparency through customer oversight committees.
- Implemented interstate water banking regulations that allow off stream storage and exchange of Colorado River water in the Lower Basin on an interstate basis. These regulations enhanced interstate cooperation in meeting current and future water needs in all three lower Colorado River Basin States.
- Negotiated settlement of Central Arizona Project repayment litigation, providing a framework for the settlement of Indian water right claims in Arizona.

The settlement was subsequently incorporated in the Arizona Water Settlements Act passed by Congress in 2004.

- Implemented five Indian water right settlements passed by Congress.
- Developed and implemented Lower Colorado River Surplus Guidelines to define when water operations can provide surplus water to water users in the Lower Colorado River Basin in accordance with a Supreme Court Decree.
- Oversaw the negotiation and implementation of the California Quantification Settlement Agreement. This agreement provides quantified entitlements for Colorado River water users in California and facilitated the reduction of Colorado River water use by California to its basic apportionment of 4.4 million acre-feet. This agreement provided certainty to all seven Colorado River Basin States by reducing long-term uses of the river by approximately 800,000 acre-feet.
- Developed and began implementation of the Lower Colorado River Multispecies Conservation Plan. This $600 million plus plan provides 50 years of ESA compliance for Reclamation, the Lower Basin States, and water and power customers on the Lower Colorado River. The plan is the first of its kind and is being used as a model in other river basins.
- In conjunction with the Upper Colorado Region, we are in the process of implementing shortage and coordinated management guidelines for operation of the Colorado River system. When completed next year, these guidelines will provide certainty for Colorado River water users in all seven basin States and avoid interstate litigation of long standing issues between the Upper and Lower Basins of the Colorado River system. These guidelines will also include innovative management tools for water users in the Lower Basin, allowing water exchanges, storage credits, and encouraging extraordinary conservation during periods of drought.

While I have had direct involvement in each of these successes, credit for accomplishment must be shared with all of the Reclamation staff, other Federal agencies, the Colorado River Basin States, Indian tribes, and the water and power users on the Colorado River system. This community of people is truly exceptional and has collectively accomplished much.

But the Lower Colorado Region of Reclamation is not the only place where difficulties have been surmounted with ingenuity and effective, collaborative approaches. Other regions of Reclamation have also accomplished much in conjunction with the water and power communities that they serve. The "can do" attitude of Reclamation employees is second to none; employees take pride in helping to meet the water and power needs of the West. Reclamation is committed to doing the job right, and I am enthusiastic about providing leadership to the agency.

Of course, as good an organization as Reclamation is, there is always room for improvement. No organization can rest on its laurels. As you and Members of the Committee know, approximately six months ago Reclamation embarked on a self assessment of its operations and interaction with its stakeholders. This effort, called Managing for Excellence, builds upon a review of Reclamation by the National Academy of Sciences and is intended to position Reclamation to be a performance-driven organization. If confirmed as Commissioner of Reclamation, completing and implementing the Managing for Excellence program will be my top priority.

Reclamation is carrying out this self assessment in full consultation with its stakeholders. It is too early and inappropriate for me to speculate on the outcomes of the review. However, if confirmed as Commissioner, I will ensure that the two important hallmarks of the program will be transparency and efficiency. Many of Reclamation's costs are paid by its water and power customers. Reclamation must fully account for all of its spending and demonstrate that its operations are carried out efficiently.

Other important concepts and priorities that would be part of my focus if confirmed as Commissioner include:

- Respecting the basic tenet of the Reclamation Act that State law controls in the allocation and management of western water supplies.
- Continuing the focus of the Reclamation mission on delivering water and power to Reclamation customers and maintaining adequate funding for project operations and maintenance.
- Focusing on collaborative approaches to resolving water issues with a focus on avoiding crises.
- Continuing a management philosophy that water problems are best solved at the local level.

- Continuing to maintain a balance between centralized policy and decentralized operations and encouraging decisionmaking by field managers while maintaining accountability and appropriate oversight.
- Maintaining appropriate consistency among Reclamation projects and regions, but respecting the unique circumstances that surround individual projects. One size does not necessarily fit all.
- Focusing on the human capital of Reclamation, attracting and keeping highly qualified people and developing appropriate succession plans to provide long-term continuity.

Water will continue to be one of the most important issues facing the western United States. Population and economic growth in the western States has been rapid and is projected to continue with commensurate increases in the demand for water. Water needs for the environment and recreation will likely continue to grow also. Conflict over limited water supplies will be the norm.

Mr. Chairman, there are no easy answers to these problems. I am, however, confident that solutions can be found, and I believe that the Bureau of Reclamation can play a role in finding such solutions. The role of the Bureau in promoting collaboration between stakeholders in situations where water supplies are limited is more important than ever before, and we must work to make sure that the organization is properly positioned to assist with solutions to tomorrow's challenges.

In meeting this challenge, Reclamation must first respect its past. Irrigated agriculture was the cornerstone of the Reclamation program. Reclamation cannot abandon its agricultural water users and must ensure that the rights and obligations of all water users are respected. Second, Reclamation and the West must prepare for the future. The changing urban structure of the West and associated changes in the economy and public environmental values dictate the need for creative solutions in meeting new demands for limited water supplies.

Mr. Chairman, my background and experience make me well qualified to help lead Reclamation in finding the proper balance to solve these problems. Growing up on a farm using water from a Reclamation project has given me an appreciation of the perspective that irrigation districts and rural communities bring to the table when water conflicts occur. Similarly, living and working for the past 20 years in the desert southwest, where urban growth rates have outpaced all other parts of the country, has given me an appreciation of the difficulties that urban water managers face in meeting growing water demands. Managing a major river system has also given me an understanding of the complicated interaction between our projects and the environment, and the need to comply with the many aspects of Federal and State environmental laws and regulations.

I believe that I can provide leadership to Reclamation in positioning the agency to be a positive force in solving western water problems in the 21st century. I seek your support in confirming me as the President's nominee to serve as Reclamation's next Commissioner. I pledge that I will do my absolute best to serve the public interest in the management and development of western water supplies.

I would be pleased to answer any questions you may have.

Senator CRAIG. Bob, thank you very much. Well, gentlemen, both of your statements were timed perfectly. Your time has expired. So let us proceed with questions and there may be some that we might not choose to ask today, for the sake of time, that will be submitted in writing to you, that we would appreciate your prompt response to.

Steve, the members of this committee devoted many hours last year getting an Energy Policy Act enacted. Chairman Domenici, Jeff Bingaman, myself and Craig Thomas, literally worked 5 or 6 years ultimately, putting this package together. The statute has numerous provisions intended to promote responsible development of our Nation's oil and gas, coal and other resources to enhance energy security. Will you commit to implementing the provisions of that Act?

Mr. ALLRED. Mr. Chairman, members of the committee, certainly I will.

Senator CRAIG. In your opening comments, you made some reference to us. Can you give us your views, generally, on encouraging

development of the Nation's resources in face of conflicting priorities?

Mr. ALLRED. Senator Craig, as we look at the environmental laws that we have, particularly the impacts on local people, there are going to be those kinds of conflicts. To me, the goal is going to be to bring those interests and those stakeholders in very early, whether they are national or local, and to make sure we understand their views and can use the information we gain from them to find ways to implement energy projects that will protect those other resources and considerations that are so important to us.

Senator CRAIG. When the President asked Governor, now Secretary Kempthorne, to serve as Secretary of the Interior, Dirk called me and said, "What are going to be some of the priorities that I should be looking at?" I said, "In the 2-plus years that you will serve under this President, it is possible that you will produce more energy for the country than the Secretary of Energy." And I was referencing all of these assets that clearly are there, including obviously the one that we're working collectively on, OCS, Lease Sale 181 and now, this phenomenal deep-water find that Chevron talks about well out in the gulf. I believe that statement I made to the now Secretary is valid, that literally, the Department of the Interior and its ability to facilitate in light of all of these conflicting priorities, can and will produce more energy for this country than the Secretary of Energy in the next 2 to 3 year timeframe. Your reaction to that.

Mr. ALLRED. Mr. Chairman, I don't think there is any question that we have the opportunity to do that. The challenge will be finding a way to do it in a manner that people will accept and feel that their interests are protected. We can do that. I think there are also lots of opportunities, not only to develop the oil and gas resources but there are other resources—and I am particularly aware of the oil shale and tar sands we have. Of course, I think wind will be important too, although it is probably a smaller resource than the others will be. But my interest is making sure that we use a combined set of objectives, which will maximize our ability to get those energy resources on as quickly as possible and I think certainly within 2 years, we should see some of those resources coming online and be able to rely upon them.

Senator CRAIG. Thank you. Bob, your predecessor, John Keys—of course, I had the privilege of working with him when he served in Idaho and of course, he served us very, very well in now the capacity that we trust you will assume soon. When he was before this committee, I asked him this question and he answered it forthrightly and then proceeded to fulfill it and in fact, accomplished it during his tenure. The question was this: Will you allow another Klamath to happen?

Mr. JOHNSON. Senator, I will do everything that I have in my power and in my ability to stop that from happening. That was actually a very, very difficult situation and that will be one of my top priorities, is to make sure that we don't have those kind of circumstances arise again.

Senator CRAIG. You mentioned in your opening comments, the National Research Council's rather far-reaching report on Reclamation. You did talk to it to some extent. How are the Managing for

Excellence meetings proceeding and what progress have you made in these meetings?

Mr. JOHNSON. We've now had, I believe, two meetings, with interested publics, mostly Reclamation's water and power customers, seeking their input, giving them progress reports on the status of where we are and what we are doing, getting their feedback on the activities that we're looking at. We have 41 teams that are looking at the various recommendations that the National Academy made. We've made significant progress on some of those. In fact, we've actually completed a couple of items related to developing our policy and putting some new policies in place and making those policies transparent. We have another meeting scheduled with our constituents for next week and we are committed to move along in that process, get it completed by the end of 2007, with the schedule that we initially put out for everybody's review.

Senator CRAIG. Thank you. My last question to you, Bob. Do you feel that the stakeholders are being adequately included in the process and what complaints, if any, have you heard from the stakeholders regarding their involvement in the process?

Mr. JOHNSON. I certainly hope that they feel like they are getting the proper involvement and if they're not, I would take steps to make sure that is occurring. I have not heard any of them express any concerns to me directly, that they are not getting the input that they feel like they need. So, my sense is, that is happening. If it is not, we'll take action to make sure that it is.

Senator CRAIG. Okay, thank you.

Senator Bingaman.

Senator BINGAMAN. Thank you both again for being here. Let me start and ask you, Mr. Allred, a couple of questions about this testimony that was made yesterday in the House. This is testimony by the Inspector General for the Department of the Interior, Earl Devaney, before the House Government Reform Subcommittee on Energy. He said, simply stated, "short of a crime, anything goes at the highest levels of the Department of the Interior." And then he went on to say, "I have observed one instance after another when the good work of my office"—that is the Inspector General's Office—"has been disregarded by the Department. Ethics failures on the part of senior Department officials taking the form of appearances of impropriety, favoritism and bias have been routinely dismissed with a promise 'not to do it again.'" Are you informed about this? I mean, this sounds like a very unfortunate circumstance, when you have the Inspector General of a Federal department making those kinds of charges against the department that he has been Inspector General of for many years. Do you have any reaction to that?

Mr. ALLRED. Senator Bingaman, first of all, let me say I really appreciated the opportunity to meet with you. I have not been privy to these matters. As you can imagine, I am not a Federal employee, so as such, those kinds of discussions have not taken place with me. I have to say, though, that I know the Secretary very well. I know what his ethical standard is and I know that he would not put up with this sort of thing, if in fact, it occurred. My own personal attitude comes from my father, who taught me that the most important thing you have in life is your name and your rep-

utation and through my business career and government career, I have absolutely no tolerance for impropriety or the appearance of improprieties. So I can assure you that over those things which I have control, you will find a heavy emphasis on doing the right thing and making sure that we protect the interests of our citizens and our government.

Senator BINGAMAN. Well, I appreciate that assurance and I don't question it. I look forward to following up with you once we get this full report, which I guess the Inspector General is completing his work on. One of the areas you are going to be responsible for is the negotiations with regard to these royalties in the Outer Continental Shelf. There are some leases that were signed in the previous administration that did not require payment of royalties, as I understand it, in deep water drilling and there are negotiations going on to go ahead and see what can be resolved with regard to those. It has been my position that the taxpayers of the country are entitled to the same kind of royalty from development of public resources that private landowners or resource owners are entitled to with regard to development of resources on private land. Are you generally in agreement with that? Is that what we ought to be aiming for in the discussions with these private companies?

Mr. ALLRED. Senator Bingaman, I don't know exactly what the situation is with those leases. I think it is very unfortunate that they are not structured such that they did not require the same things as are required now or had been previously required. I think it is important for the people of the United States to realize the benefit from the resources that are being used by private companies. I don't know what the numbers should be. I'm not smart enough yet but I certainly will become so, as to what the royalties ought to be. But it ought to be appropriate for the resources that are being used and the people in the United States ought to benefit from those resources.

Senator BINGAMAN. Okay. Let me switch and ask about NPRA, National Petroleum Reserve Alaska. One of the issues that has been raised there, 18 of my colleagues joined me in writing to Secretary Kempthorne just in June, asking him to reconsider the decision to open the lands around the Teshekpuk Lake area. These are lands that were put off limits by Secretary Watt over 20 years ago and last week, the Federal District Court in Alaska, made a preliminary ruling that the lease sale should not go forward until there has been an environmental analysis of the cumulative impacts, and that has been completed. Could you assure us that you are going to look at that Federal court decision carefully and take into account those cumulative impacts in deciding what course to follow with regard to this area?

Mr. ALLRED. Senator Bingaman, I think it is important that we understand all of the resources we have available to us, including the environmental and cultural resources as well as oil and gas. I don't believe we can make decisions, equitable decisions that are going to benefit our citizens down the road unless we do know those. So I certainly will do my best to understand in any decision that I am responsible for, what the impacts of what we are doing or propose to do, are. I also, though, want to say that one of my greatest frustrations—this is my first entry into being a Federal

employee—that one of my greatest frustrations in being on the outside, working with the Federal Government, is the seeming inability to get decisions made. So I also have a great interest in making sure as we go forward, that we use all that information but that we also make decisions, whether they be to do something or not do something, so that people know and have that guidance.

Senator BINGAMAN. Thank you. I gather my time is up, Mr. Chairman. Thank you.

Senator CRAIG. Jeff, thank you very much. Let's now turn to Senator Craig Thomas.

Senator THOMAS. Thank you, Mr. Chairman. Mr. Johnson, you of course, indicated that you've had a good deal of experience on the Colorado River and the lower part of the Colorado River, primarily. Are you prepared, I hope, to get familiar and represent the interests of the upper seven States in the Colorado River? There is often a little confusion there.

Mr. JOHNSON. Senator, I work with all seven States on the Colorado River system and I have a very good rapport with all four Upper Basin States. I understand the sensitivities of both basins and I will work very hard to be fair to both basins and try to balance those interests and move towards consensus among all seven States, absolutely.

Senator THOMAS. Good. I understand the Secretary has the authority and the discretion to conduct a mid-year review of the Colorado River's annual operating plan to determine the volume of water to be released and so on. Is this the case and are you familiar with that?

Mr. JOHNSON. Yes, I am and yes, it is the case. The Secretary does have that authority.

Senator THOMAS. Good. Mr. Allred, as you know, one of the issues that is before us often, with BLM, is the delay of permits for drilling and mining. The Department has recently established a couple of pilot programs, seven pilot programs, I guess. What other opportunities do you see to increase the efficiency? I don't suggest they reduce their responsibility but how can it be done in a more efficient way? Do you have any thoughts on that?

Mr. ALLRED. Senator Thomas, it was a pleasure to meet with you the other day as well. As I indicated to Senator Bingaman, one of my frustrations has been in the past, in getting those kinds of decisions. I had that experience as well in State government where it was taking forever to get permits out the door. Sometimes it was a desire not to issue the permits but that still meant that people didn't know what the situation was and that was very frustrating to me. So I don't know what the opportunities are but I can assure you that I will look for opportunities to speed that process up, taking proper consideration of all the things that we need to consider. But I want decisions, I want them as rapidly as they possibly can be made, so that people know what to do and can take whatever measures they then need to take for their lives and their livelihood.

Senator THOMAS. The internal assessment written in May by BLM indicated a failure to monitor and limit harm to wildlife and air quality from natural gas drilling. The assessment contends there is often, "no evaluation analysis or compiling of data, track-

ing these consequences." Have you heard of that and what would be your reaction to that?

Mr. ALLRED. Senator, I am aware of that. I've just been briefed on it as I've been briefed on many other things. I come from, again, as you learned from my resume, from an environmental regulation background, at least recently, where most of the decisions you made had to be made on that kind of data. I think it is the responsibility of the applicant or the operator to provide that data to us but we should have that data and it should be in a form that we prescribe and we should audit that data to make sure that we have that information and it is correct and can rely upon it. So I agree, we need the data. I think it should be the responsibility of the operator to provide it to us, just like they do if it is EPA or some of the other regulatory agencies.

Senator THOMAS. Mr. Johnson, what limitations are imposed by the 1970 coordinating long range operating criteria for the Colorado River, relative to the Secretary's authorities to release water?

Mr. JOHNSON. Those criteria lay out some broad guidelines that the Secretary uses to manage the Colorado River system. Part of that is to define the release of water from the Upper Basin to the Lower Basin as required under the Colorado River Compact with the seven States. Those criteria provide for what is called a minimum objective release of 8.23 million acre feet from the Colorado River system, from the Upper Basin to the Lower Basin on an annual basis. Part of what we're doing right now, in conjunction with all seven basin States, is taking a look at that particular piece of the long range operating criteria and looking at how those releases from the Upper and the Lower Basin should be made.

Senator THOMAS. Good.

Mr. JOHNSON. So that's something that is being looked at right now. In fact, I think the Basin States have worked very well trying to find some careful compromises.

Senator THOMAS. Good. All right, thank you.

Senator CRAIG. Craig, thank you very much. Now let me turn to Senator Salazar from Colorado.

Senator SALAZAR. Thank you very much, Senator Craig. First, my question is to Mr. Allred. I, along with my colleagues on this committee, helped in putting together the bipartisan effort on the National Energy Policy Act, which we passed last year and I'm proud of the effort of this committee and of the Senate in that regard. One of my areas of interest in that legislation has to do with oil shale. My view is, we put together a bill that had the right balance in terms of moving forward with the right kind of deliberation. There are some who feel that we ought to expedite that to move much more quickly in terms of trying to develop oil shale in Colorado, Utah and Wyoming. Can you quickly share what your views are in terms of the speed with which we ought to move forward on oil shale exploration and development?

Mr. ALLRED. Senator Salazar, my background, as I indicated, in the early 1980's, Morrison-Knudsen as certainly involved in oil shale development, including the Union Oil Project that was producing oil. At that time, it was not economical to proceed after the Federal Subsidies went away but I think it is a valuable resource that we need to develop. It is as any other time that we extract

resources. We need to understand what the environmental and what the social impacts are of what we do. I don't know how fast that can proceed. I'm very much interested in going forward with oil shale but I do also understand and believe that we have to understand what we're impacting when we do it. But there is a tremendous resource there.

Senator SALAZAR. You'd be supportive, then, of making sure that both the Federal and the local communities have the benefit of the environmental impact statement that is required by the law so that we can understand what those impacts are going to be on those communities from oil shale development?

Mr. ALLRED. Mr. Chairman, Senator Salazar, I mean to—I don't know the process so I want to be careful that I don't promise something that is not—that I'm not familiar with but I can assure you that I will, to the best of my ability, make sure the local people are involved in those decisions and have the necessary information to provide input.

Senator SALAZAR. I appreciate that and I will just ask you here on the record to make sure that you are working both with me as well as with my colleague, Senator Allard, because oil shale development will very much affect our Western Slope in Colorado and we need to make sure that as we move forward, that it is developed in the appropriate way.

Second question, in regard to the BLM and the pace of oil and gas development, I know many members of the Senate and Governors on both the Republican and Democratic side, Senators like Senator Burns, Senator Thomas, Senator Bingaman and myself, have questioned the pace in which BLM is moving forward with the development of energy in my State. Some people have said that we've become the sacrificial zone for energy development as you see thousands upon thousands of oil and natural gas loads being developed. My question to you is, what is your view with respect to—in a general way, with the pace of development that is taking place in the Rocky Mountain West concerning oil and gas development and what is the respective role and relationship between the Bureau of Land Management and the affected communities? How should the BLM move forward in terms of making sure that affected communities are supportive of decisions that the BLM is making?

Mr. ALLRED. Senator, perhaps I could answer the last question first and then build to the other one. My whole background in government has been to make sure that local people had, first of all the information to provide input, but second, the opportunity to provide input as to what decisions should be. Many times, those decisions may not please them but it is important that they have the opportunity to provide that input and to feel that they were listened to. I can pledge to you that anything that I have to do with these decisions will be such that they have that opportunity and feel that they have been given the opportunity to do so.

With regard to the pace, I don't think I'm smart enough at this point in time and have enough information to say whether the existing pace is adequate or not adequate or too fast. I think it needs to be such that it is deliberative but we have to make decisions. Again, I want to make sure that when someone asks us to do some-

thing, we give them a decision after adequate information is available to us.

Senator SALAZAR. One more question to Mr. Allred. With respect to our best management practices, I'm a supporter of oil and gas development in my State but I also have seen the concerns of many communities are grave with respect to the pay stub of development and different companies have different kinds of reputations. There are some companies in my State that have very good reputations in terms of best management practices that they are using on a whole host of fronts. Other companies, frankly, do not. And as the Assistant Secretary, would you be willing to push the oil and gas industry, as powerful as they are, to make sure that as they explore and develop or use natural resources, that they are using the very best management practices that have been developed by industry?

Mr. ALLRED. Senator, I have little tolerance for people who do not use the best management practices and so I think you will see my attitude is such that if they are going to use the natural resource, then they need to use those best management practices, which will protect that public resource, whether it be environmental or oil resources.

Senator SALAZAR. Thank you, Mr. Allred.

Mr. Chairman, will we have another round?

Senator CRAIG. [Answers off-mic.]

Senator SALAZAR. Thank you very much, Mr. Chairman. To Mr. Johnson, congratulations and it is indeed, I think, a fortunate circumstance that we're in where we have someone who really understands the Colorado River system, to run the Bureau of Reclamation. So I congratulate you and we'll move forward into the complexities that challenge all of us on the Colorado River. Let me ask, first just a general question. Your Agency has huge projects in my State, from the Big Thompson Project to the Arkansas Frying Pan/Arkansas Project and huge issues that are very difficult and complex that we're working on. I want your pledge, sir, that before I give you my vote of confirmation, that you will work closely with me as we try to address some of these very complex and conflicting issues.

Mr. JOHNSON. Certainly, Senator, I would be pleased to do that.

Senator SALAZAR. Thank you. Let me turn to a very general question on the Colorado River. I remember back in the 1990's, the California Drought of 1990, when we got involved in a whole set of seven States' discussions about the future of the Colorado River and whether the Upper Basin States were going to share water with California to deal with that particular issue. Do you have any sense as to whether or not the way that we are organized to manage the issues on the Colorado River is the best way or should there be other things that we ought to be doing from an organizational point of view? I'm not talking about the issues such as the shortage criteria on the Colorado River, but essentially, how we manage it there. For example, there is no organization that currently deals with all seven States on the Colorado River. You have the Upper Basin, you have the Lower Basin and then you have the Big Master, the Secretary of the Interior that manages the river.

Are there better ways of managing this watershed that supplies the water supply to so many, many people in our country?

Mr. JOHNSON. You're talking about the Bureau's organization with the two regions that manage the two basins?

Senator SALAZAR. I'm talking the whole management.

Mr. JOHNSON. The whole management.

Senator SALAZAR. Does it make sense to have a Colorado River Commission that would have a representative from each of the seven States to identify the issues on the Colorado River and try to work through them as opposed to the very ad hoc, informal consultation that seems to drag on and on?

Mr. JOHNSON. That is a question that has been talked about for a long time. In fact, if the States could get together and come up with some sort of a mechanism on how that would work, I think that could be a good thing. I think it might be difficult to do that because—it would be very difficult to define exactly how decisions would get made and my guess is, there would be a struggle there to come together on some sort of an agreement on how that would occur. I mean, if that was something that could be worked out, I don't know that I would oppose that. I think the model that we have on the Colorado River system has served us pretty well. I think that having the Secretary of the Interior with some authority to make decisions allows a consensus process to occur. Many times, there are significant differences among the States and among the water users over various issues. It has been my experience that the Secretary, by having that authority, can actually bring the States and the various interests together and actually have some success in getting agreement on how issues ought to be resolved. I think the Secretary has to be very careful how that authority is used and the collaboration is absolutely essential and getting consensus with the Basin States is absolutely essential. But I think the Secretary can play a significant role in the way that it is currently set up. I mean, that said, I wouldn't—you know, I think that if there was a way for the seven States to get together, I think that would be—I don't know that I would be opposed to that.

Senator SALAZAR. I'm not advocating a specific proposal but I do think that it is something that is worthwhile to at least have a dialogue on. There is a study that has been proposed for Frying Pan, Arkansas called the Preferred Storage Option Plan. It's looking at the expansion of Pueblo Reservoir and perhaps another reservoir on the Arkansas River system. Very contentious within my State because of conflicts between Pueblo and Colorado Springs and the Lower Arkansas Valley. I'm not asking you for a response other than just to pledge to me that you will work with me in the year or two ahead, to try to get the issues resolved on that proposed legislation.

Mr. JOHNSON. Certainly.

Senator SALAZAR. And I would do the same with respect to another conflict up in the northern part of the State, on the Big Thompson Project, where the Northern Water Conservancy District and the Colorado River District have been battling with respect to who ought to be in the management position of that project. I would ask you again, to work with us as we move forward on that issue.

Mr. JOHNSON. Yes, of course.

Senator SALAZAR. Again, I'm delighted that we have somebody that really understands the Colorado River at the helm of the Bureau of Reclamation.

Mr. JOHNSON. I thank you.

Senator CRAIG. Ken, thank you very much. Let me come right off from your line of questioning with a couple of observations, Bob and maybe your reaction to them. I know a little bit about the Colorado River but I also understand the magic it must take to bring seven States together in a watershed as complicated as the Colorado. But there is something happening in the West that may be, in fact, an opportunity to rejuvenate the Bureau of Reclamation back to a point in time when it was once a very—a greater resource to a changing West than it currently is today where it is just a management of existing systems. The State of Colorado, the State of New Mexico, the State of Idaho, your home State of Nevada, are growing at an unprecedented rate. We are populating at a rate that none of us every imagined would happen because the West is a marvelous place to live and a lifestyle that many people are seeking today. It also happens to be an area of the Nation that has the least amount of water and conflicts, I have to believe, into the future, are inevitable and resolution is going to be critical. I'm not sure that continuing to divide a finite resource is a way to solve a problem in an increasingly populating area. It is one way of doing it but I'm not sure it will solve all of our needs in the long term. I and others, for some time, have been suggesting that there may need to be a time when we re-evaluate the potential for additional off main stem storage of additional water supplies, beyond just our ability to manage existing water. We also know that we've gone through prolonged periods of drought. We know what the storage system in the Colorado looks like today. It's much lower than we would prefer it to be and I guess I'm in search of your philosophy more than I am a specific answer because I think we have some challenges in front of us in the West. If we're smart enough, we can get out in front of and start building consensus to do some things that, right now or a year or two or three ago, would have been viewed by most as being an impossible task but under today's pressures, I think it is moving us in a direction where we're going to have to make some decisions. Your reaction?

Mr. JOHNSON. I certainly think that there are—making the pie bigger is always the better solution. If you can develop additional water supplies, that can be a very good way to solve these problems and I think that there are probably areas where that's a good option for dealing with water problems. There are other areas where there just isn't any good opportunity—I mean, all the water that is there has been developed so it's really a matter of trying to figure out how you adjust to the changing economy and the changing water needs. But certainly, I don't preclude any options when it comes to trying to solve the water problems. In some areas, building more storage certainly makes sense with additional water funds, if you can.

I think the perennial concern for the Bureau is—for any Federal agency, is budget. That's really a very limiting factor. We do have projects that we're working on. The Animas major effort for Rec-

lamation that is currently going on. There are other areas where we're actually helping develop additional water supplies, The Rural Water Program, the Title XVI Program, are all programs that are actually creating additional water. So using both approaches is the right way to go.

Senator CRAIG. I came to Congress in 1980. In 1982, I began to work with Colorado Senators and representatives in a program called Animas La Plata—1982! My guess is that if the pressures of today were then, it might already be completed but that was not the case.

A comment to you, Steve, and it comes off from in part, what Ken has mentioned in their concern in the over thrust and along the front as it relates to gas development and of course, it has to be done right and it must meet the standards of the communities and the interests involved. At the same time, we are dealing with, in part, some land use plans that were easy to make when gas was a dollar a trillion at the wellhead or less—I don't know what the price was at the time. When it was easy to say, well if we have a conflict, let's just stop or let's terminate drilling for periods of months while the conflict exists and then we'll move on. Many of those decisions were made at a time when we were not losing a chemical industry, we were not as dependent on offshore—we had an abundance and we never dreamed gas would be $10 or $12 a million cubic feet. That day has changed and probably changed forever. The over thrust, all of that region of the West, we believe, houses, three, four maybe five trillion cubic feet of gas. Relatively easy to gain access to, in a general sense.

So I believe your sensitivity toward all of that in making sure that we do it right so that we don't leave a lasting impact in an environment that is—because it is high desert environment in most instances, is extremely more fragile than other types of environments. I say that as an observation because I think it is a reality that we have to review again and certainly the BLM is caught in the middle of that right now. But it is not unlike the reality that is just in the line of sight of your birthplace and that is those ridges out back of Rigby that are now becoming wind farms. I must tell you, I dislike the destruction of that vista, to the whop, whop, whop of a wind farm. But I guess that's the reality of where we are today.

So, due caution and at the same time, your comments about making decisions based on the facts that are available are also critical. This is a time when our country needs decision. It needs decisiveness as it relates to these key issues. Our dependence on foreign resources has put this country in a compromised position it should not tolerate and that's part of why I think we collectively came together in the Energy Policy Act of last year.

Let me turn to Senator Bingaman for additional comments he would wish to make and I'll be submitting some questions for the record.

Senator BINGAMAN. Thank you again for that, Mr. Chairman.

Mr. Johnson, let me just ask one or two questions and then I'll stop. One issue that I have been greatly concerned about is getting the Environmental Impact Statement completed for the Navajo Gallup Project. In early July, I sent a letter to Secretary Kemp-

thorne requesting the Department release the draft EIS on the Navajo Gallup Pipeline. That letter was a follow-up to one that we did in April 2003, to Commissioner Keyes, urging Reclamation to complete that. I was told then that we could expect release in February 2004. Obviously February 2004 has passed, so this thing has been in the works for something approaching 8 years. I would just ask you to review this situation, once you are in this position, and report back to us, if you could, for the record, as to the status of the Environmental Impact Statement and what is a realistic expectation for us on getting this done. It seems to me that it has become an embarrassment to anybody watching the process.

Let me ask also and I'll get a chance to visit with you tomorrow, I believe, separate from this hearing but I also am anxious to get a clearer notion as to where the Bureau of Reclamation is with regard to the Eastern New Mexico Rural Water Project, which is something that I've been very supportive of and of course, one of the main issues before you. I don't call on you to really respond to this right now, but I think a main issue is how the Bureau of Reclamation is changing its planning process in light of global warming. I would think, as the largest water manager in the West, that the Bureau of Reclamation would be taking the lead in trying to understand the effects of global warming and factoring those into their management plans. I'd be anxious to know, as we go forward, what you are able to do in that regard. I would hate for this to be an instance where the Federal Government is the last one to wake up to the seriousness of this issue. I think the Bureau of Reclamation can provide some useful leadership on this and I hope you'll see it that way, too.

Mr. Chairman, I'll stop with that and again, I appreciate the nominees being here and for the hearing being scheduled.

Senator CRAIG. Senator Bingaman, thank you very much. Gentlemen, thank you very much for again, your presence and your willingness to serve our country in these critical areas at this particular time in our Nation's history. I think, as most of us have expressed, we sense concern to the issues and the importance of the roles you will play for the Nation and in the West, where much of your authority rests. So we thank you much for being with us today.

The hearing will stand adjourned.

[Whereupon, at 11:15 a.m., the hearing was adjourned.]

APPENDIX

RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF C. STEPHEN ALLRED TO QUESTIONS FROM SENATOR DOMENICI

Question 1. At a hearing yesterday in the House, the Department of the Interior IG gave a rather scathing report on the ethics culture within the Department that specifically addressed certain areas that would be within your purview if you are confirmed. I realize that you are probably not aware of specific problems, but could you tell us generally what management techniques you plan to use to promote integrity and ethical conduct within your areas of responsibility?

Answer. As I stated at my confirmation hearing yesterday, the most important character trait any individual possesses is integrity. Ethical conduct, integrity, and responsibility do not occur simply because management requires it. We have to create and reinforce that behavior by being clear, making sure our expectations are understood, and by setting the example ourselves. If I am confirmed, you can be assured I will set that example, and I will make clear my expectation to our employees regarding their conduct. I will also make sure our customers understand our standards of conduct.

Question 2. Please explain the steps that you plan to take to ensure that alternative energy forms advanced in Section 388 of the Energy Policy Act of 2005 are given appropriate attention with the Department of the Interior.

Answer. I understand the Department has already begun the process for developing rulemaking and has been conducting public meetings to gather information and input from potentially affected stakeholders. If confirmed, I will work with the MMS toward the development of a program for alternative energy on the OCS under Section 388 of the EPAct.

Question 3. As I am sure that you are aware, there has been a great deal of controversy this year surrounding the failure of the Clinton Interior Department to include price thresholds in deepwater OCS oil and gas leases issued in 1998 and 1999. Earlier this year, I supported an amendment in the Interior Appropriations subcommittee that gives the Secretary clear authority and parameters to renegotiate these leases. It is my understanding that certain parties to these agreements have begun negotiations.

If confirmed, will you make the success of these discussions a top priority and will you be committed to making these negotiations successful to the best of your ability?

Answer. If confirmed, I will work to ensure the negotiations are fair to all concerned, including the American taxpayers.

Question 4. Can you also assure me that if confirmed you will be committed to doing a thorough examination of OCS oil and gas leasing policies to ensure that the failures with respect to the 1998 and 1999 leases are not a systemic problem in the Department?

Answer. If confirmed, I will review procedures to make sure that similar failures will not occur in future lease contracts.

Question 5. On August 1, the Senate passed S. 3711, a bipartisan energy bill that provides for oil and gas leasing areas in the 181 Area and south of the 181 on the Outer Continental Shelf. Furthermore, this bill provides important revenues to the coastal producing states and to the stateside Land and Water Conservation Fund.

Are you supportive of the concept of additional oil and natural gas production on the OCS beyond what is permissible under current law?

And, do you support enactment of an OCS bill this year?

If confirmed, will you work in your capacity to ensure that the areas identified in S. 3711 area leased by their statutory deadline if such legislation is enacted into law?

Answer. I support the Administration's position to work with Congress on greater access to OCS resources. If legislation is enacted, and if I am confirmed, I will work to meet the requirements of the Act.

Question 6. Will you commit to actively support the OCS areas covered under S. 3711 from future moratoria in Interior Appropriations bills if S. 3711 is enacted?

Answer. I support the Administration's position to work with Congress on greater access to OCS resources. If legislation is enacted, and if I am confirmed, I will work to meet the requirements of the Act.

Question 7. The bulk of America's oil shale resource is on Federal Land. This may represent our best chance to eliminate our dependence on Mideast oil. In the Energy Bill we took steps to initiate an Oil Shale Program at BLM and they seem to be making good progress.

Can I get a commitment that the Department will continue to aggressively implement such a program under your watch?

Answer. If confirmed, you have my commitment that I will continue the work begun by the Department in implementing the Energy Policy Act of 2005 provisions relating to Oil Shale development. I agree this is an important resource that can contribute to our energy security, and we need to understand the environmental and social impacts of what we do so we can responsibly develop this important resource.

Question 8. The Energy Bill included a significant rewrite of the Geothermal Steam Act. Geothermal Energy has the potential for playing an important role as a clean source for renewable energy.

What can we expect from BLM in finalizing its rulemaking and implementing this program in the next few months?

Answer. I have a keen interest in responsible development of geothermal resources, but I have not had the opportunity for a full briefing on the BLM's efforts in finalizing the rulemaking and implementing the geothermal program. However, if confirmed, you have my commitment to become well-informed on this issue, and see to it the BLM continues to expeditiously complete the rulemaking and implement the program.

RESPONSES OF C. STEPHEN ALLRED TO QUESTIONS FROM SENATOR THOMAS

Question 9. BLM offices in Wyoming are having a very difficult time retaining staff because they leave to work for energy companies. I would like to work with you on solutions to this problem. Is there an effort underway at the Department to address this issue and what do you bring to that effort?

Answer. While I am not familiar with the problems you describe with employee retention in the BLM's Wyoming offices, I have experienced this same issue elsewhere. If confirmed, I will look into this issue to determine what steps need to be taken to improve the situation. I look forward to working with you to find creative solutions to this issue and welcome your ideas.

Question 10. Many of the decisions made by the Department in my state are appropriately reviewed on a case-by-case basis in state offices. I believe that the environmental community, the energy industry and DOI employees would benefit from more consistency, however. Do you believe there is a way to provide more predictability between the different offices on permits and environmental work?

Answer. Although I have not had the opportunity to discuss this issue in detail with the BLM, I am aware that environmental conditions can vary geographically from one area to another. However, if confirmed, I will look into this issue and work with you to identify the right balance in decision-making on resource uses across all BLM field offices.

RESPONSES OF C. STEPHEN ALLRED TO QUESTIONS FROM SENATOR BINGAMAN

Question 11. NPR-A—In June, eighteen of my colleagues joined me in writing to Secretary Kempthorne asking him to reconsider the decision to open protected lands in the National Petroleum Reserve-Alaska in the vicinity of Teshekpuk Lake. These lands were put off limits by Secretary Watt over 20 years ago. Last week, the Federal District Court in Alaska preliminarily ruled that the lease sale should not go forward until further environmental analysis of cumulative impacts is completed.

Will you ensure that cumulative impacts are considered?

Answer. As I stated at my confirmation hearing, I believe it is always important that we consider the impacts of development on our resources. If confirmed, I will work with the BLM to address the concerns raised by the District Court.

Question 11a. Do you think the BP pipeline failure teaches us lessons and provides new information that should be considered as we proceed with oil and gas leasing on the North Slope?

Answer. While I am not intimately familiar with the details surrounding the BP pipeline failure, I think any time an incident such as this occurs it is incumbent upon all citizens to be responsible stewards of the public lands and to take the nec-

essary steps to ensure best practices are utilized so that similar incidents do not recur.

Question 11b. Do I have your commitment that you will review this decision and keep us informed as to the status of this lease sale?

Answer. Yes

Question 12. NPR-A—I understand that the lease sale for Northeast NPR-A has been scheduled to occur prior to issuance of the regulations implementing the Energy Policy Act provisions relating to the NPR-A.

Why has this lease sale been scheduled before the regulations are issued? When will the regulations be issued?

Answer. I have not had the opportunity to review the decision-making process about the Northeast NPR-A lease sale. If I am confirmed, I will work with the BLM and the Office of the Solicitor to review both the leasing procedures and any potential legal issues surrounding the NPR-A regulations and leasing schedules.

Question 13. NPR-A—Section 347 of the Energy Policy Act of 2005 amends the law applicable to leasing in the NPR-A with respect to lease renewal and unitization.

Does the Department interpret these provisions to allow a lessee to hold a lease for longer than 30 years without production if the lease is part of a producing unit? If so, how long can a lease be held without production?

Does the Department interpret this provision to place any limits on the size of a unit? Has any legal analysis been undertaken with respect to the interpretation of section 347? If so, can you please provide a copy?

Answer. I have not been briefed on the Department's interpretation of how Section 347 of the Energy Policy Act of 2005 affects NPR-A leasing decisions. If confirmed, I would be happy to confer with you on this issue once I have had the opportunity to become informed of the details.

Question 14. BLM Inspection and Enforcement—The document entitled "Bureau of Land Management Pinedale Field Office—Commitments Made in Decision Document not yet Achieved" presents a summary of commitments made by BLM when it issued oil and gas leases and indicates that many of these commitments have not been kept.

Do I have commitment that you will ensure that there are adequate resources within BLM dedicated to oil and gas inspection, enforcement, and monitoring, so that the agency can keep its commitments in understanding the oil and gas leasing program? Have similar summaries setting forth the status of implementation of leasing commitments been prepared for other areas? If so, please provide a copy.

Answer. I have seen the articles in the press on this issue. However, I have not yet spoken with any of the Department of the Interior or BLM program staff on this complex issue. If confirmed, I will ensure that the proper emphasis is placed on oil and gas inspection, enforcement, and monitoring activities.

Question 15. Diligent Development—I am advised that there are over 26 million acres of Federal onshore lands that are under oil and gas lease but not producing and 33 million acres of the Federal OCS are under lease but not producing. At a time of high prices and when we are in need of additional domestic oil supplies, I find this hard to understand. I have asked GAO to look into the reasons for this and to review the requirements for diligent development of federal leases.

Will you ensure that agency personnel cooperate fully with the GAO in their efforts to review this matter?

Answer. Yes

Question 16. Deep Water Royalty Relief—A discovery of up to 15 billion barrels of oil in Federal waters of the Gulf of Mexico was announced last week.

How many leases in this geologic formation were issued in 1998 and 1999 without price thresholds, so that a specified amount of oil and gas can be produced without paying royalties even though prices are at record highs?

Answer. I have not yet had an opportunity to hear the full details of the exciting new frontier in the Gulf of Mexico. If confirmed, I would be pleased to visit with you more about this issue and supply this information when it becomes available.

Question 17. Revenue Sharing—The new discovery in the Gulf of Mexico (of up to 1 5 billion barrels of oil) underscores the high cost to the Treasury of the revenue sharing provisions of the OCS bills pending before Congress.

How much revenue would be forgone to the Treasury under the House-passed bill if the discovery is in fact 15 billion barrels of oil?

Under the Senate bill?

Answer. I have read the press accounts of this new frontier, which is very exciting. I am not familiar with the details of either piece of legislation. However, if confirmed, I will work with the Minerals Management Service to provide an analysis to the Committee.

Question 18. Royalty Audits—MMS is authorized to enter into memoranda of understanding with States and Indian tribes to undertake audit work for royalties generated on Federal lands. There has been concern among some states that MMS is not adequately funding this work by the states and tribes.

What steps will you take to ensure that States and Tribes receive adequate funding to undertake this important work?

Answer. The Minerals Management Service informed me they have developed a plan to reallocate funds to best ensure the activities and needs of the compliance and audit program are met. If confirmed, I would be pleased to discuss the issue further with you.

Question 19. Tribal Trust Responsibility—Please comment on what steps you plan to take as a Federal official to carry out the Federal government's tribal trust responsibility.

Answer. I am very respectful of the Government's tribal trust responsibilities. If confirmed, I will familiarize myself more with these issues to determine the obligations of this office and commit that I will carry out these responsibilities diligently.

Question 20. Multiple Use Mission—Please comment on your understanding of BLM's multiple use mission for management of our public lands.

Answer. It is my understanding that the multiple-use mission of the BLM is at the heart of what that agency does in managing our public lands. However, multiple use does not mean that every acre of public land is available for every use. Rather, multiple use means balancing the various uses the BLM is charged with providing to the American public, including recreation, grazing, forestry, access to mineral development, watershed and wildlife habitat protection, and the management of BLM's special places, such as wilderness, national monuments, national conservation areas, and national historic trails.

Question 21. Coalbed Methane Report—Please comment on the status of this report required by section 1811 of the Energy Policy Act of 2005. Will you ensure that adequate resources are made available for this important report on water and coalbed methane production?

Answer. I have not had the opportunity for a briefing on the Coalbed Methane Report requirements of Section 1811 of the Energy Policy Act of 2005. However, if confirmed, I will become informed on the issue and would be pleased to visit with you about it.

Question 22. Deepwater Royalty Relief—Has the Department undertaken a legal analysis of (1) whether the doctrine of mistake applies to the 1998 and 1999 contracts that did not include price thresholds; or (2) the authority of the Department to limit royalty relief even in the absence of a specific term to that effect in the lease? If so, please provide a copy of the analysis.

Answer. Because I am not employed by the Department, I am not privy to any legal analysis or advice the Department's lawyers may have given on these questions. If confirmed, it will be a high priority for me to become fully informed on these issues.

RESPONSES OF C. STEPHEN ALLRED TO QUESTIONS FROM SENATOR WYDEN

Question 23. During the late 1990's the Department of Interior negotiated more than 1,000 leases to develop oil resources without the price triggers that would require lessors to pay royalties to the federal government. Several energy companies have now agreed to renegotiate these leases with the Department's Minerals Management Service that will be under your supervision.

If confirmed as Assistant Secretary, what will be your timetable for completing renegotiation of these leases?

When will you expect that these companies will start paying royalties?

Answer. The Congressional Budget Office recently estimated that renegotiation of these leases could increase Federal revenues by $2 billion over five years and $9 billion over 10 years.

Question 23a. How much of this royalty revenue will you seek to collect as part of the lease renegotiations?

And, do you support using these revenues to make county payments under the Secure Rural Schools and Community Self Determination Act?

Answer. If confirmed, it would be my intention to complete the negotiations as soon as possible to help ensure a fair resolution of this issue.

While I am not aware of the status of the negotiations on the leases, I have been informed that the Administration is continuing to work with your office on finding funding solutions for the Secure Rural Schools and Community Self Determination Act, and I support that effort.

RESPONSES OF ROBERT W. JOHNSON TO QUESTIONS FROM SENATOR DOMENICI

TITLE TRANSFERS

Question 1. Mr. Johnson, Reclamation currently has an administrative process for the transfer of uncomplicated projects. It is my belief that the process is not as aggressive or comprehensive as it should be. I introduced legislation (S. 3832) that would direct the Secretary of the Interior to promulgate criteria for the transfer of title to Reclamation facilities and lands, including multi-purpose and multi-beneficiary projects. The bill also directs the Secretary of the Interior to undertake a study to identify which Reclamation facilities may be appropriate for transfer.

Do you believe that there are opportunities to transfer title to Reclamation facilities for which an administrative process does not currently exist?

Answer. Yes, I believe we can and should improve Reclamation's approach to Title transfers. While Reclamation has had success with title transfer of projects and facilities over the past 10 years, I am concerned that the current process for title transfer takes too long, is potentially too costly and the number of new title transfers being proposed is declining. I believe that there are opportunities for mutual benefit to Reclamation, water users and other stakeholders with transferring title that we may be missing. Through the Managing for Excellence (M4E) initiative, a team was established to develop recommendations on how Reclamation might reinvigorate its title transfer effort, and in particular, look at ways to reduce the barriers that exist and identify incentives that may encourage more entities to pursue title transfer. If confirmed, I would appreciate the opportunity to work with you and the Committee to reinvigorate Reclamation's title transfer effort.

Question 2. Do you believe that title transfers would make more resources available to Reclamation to fulfill its current mission?

Answer. I believe there may be potential opportunities to make resources available to Reclamation to fulfill its current mission through title transfer. However, it is my understanding that the 18 transfers that have been completed to date have resulted in very limited budgetary savings. In most cases, the facilities that are being considered for transfer are already being operated and maintained by non-Federal entities. This has meant that neither Reclamation employees nor Reclamation-appropriated funds were being used to operate and maintain the facilities. Additionally, Reclamation's administration of these facilities prior to transfer involved relatively few Reclamation employees and limited appropriated funds. In those cases where some staff time may have been freed up, those resources have been redirected to other ongoing issues faced by that office. The transfers that have occurred to date have been relatively small and were scattered across Reclamation's jurisdictional areas—thereby diluting any potential Reclamation-wide, regional or area office impact. In other words, there has not been a concentration of title transfers which would result in significant savings. There are, however, other programmatic and operational objectives that can be accomplished through title transfers.

Question 3. Please describe some instances in which title transfers are not appropriate.

Answer. There are a number of types of cases where title transfer does not seem appropriate. For instance, projects which deliver water between states and to other countries, such as some of those on the Colorado River or the Columbia River would not, in my view, be good candidates for title transfer. In other cases, there are some projects which have multiple purposes and there are competing needs and demands for the water. While it is possible that an agreement could be reached, doing so would be so controversial that it is unlikely that the benefits to a potential transfer would outweigh the costs of reaching agreement between the diverse and competing demands. Where we have seen efforts to convey projects with multiple stakeholders who have competing demands for the resources, an area of extreme difficulty is in developing post-transfer governance arrangements—in other words, determining who fills the management role that Reclamation or the Secretary played when it was a Federal project. In addition, title transfers would be inappropriate where the project beneficiaries prefer not to accept title to the project. Title transfers should be voluntary.

Question 4. What changes, if any, would you make to S. 3832?

Answer. While I have not had an opportunity to closely study the details of S. 3832, from my understanding of the legislation, its goals are consistent with my views and is consistent with the effort underway through Reclamation's Managing for Excellence initiative related to title transfer. I think that effort will be tremendously valuable in furthering the goals articulated by S. 3832. I hope that we can work together to use the work you have done and the results of the Managing for Excellence effort to develop a comprehensive approach to title transfer.

TITLE TRANSFER—MIDDLE RIO GRANDE LEGISLATION

Question 5. I have been working with the state of New Mexico, the Middle Rio Grande Conservancy District and the six Middle Rio Grande Pueblos to draft legislation that would transfer title to some works and real property interests associated with the Middle Rio Grande Project.

Do I have your commitment that, if confirmed, you will work with my office to produce a legal description of the works and real property interests that we would be transferred by the legislation?

Answer. Yes. Reclamation has worked constructively with the committee staff this year to provide copies of all available contracts, contract amendments, easements and correspondence specific to the works proposed for transfer. I would continue to prioritize that work.

Question 6. What other works and real property interests associated with the Middle Rio Grande Project, if any, do you believe are appropriate for transfer from the Federal government to the Middle Rio Grande Conservancy District?

Answer. I am advised that the real property interests associated with the Middle Rio Grande Project distribution facilities and drains are appropriate for transfer if those interests are within the District boundaries and not on Indian land.

MIDDLE RIO GRANDE PUEBLO WATER DELIVERY

Question 7. Pursuant to a 1981 agreement, Reclamation is responsible for releasing water to meet the Pueblos "prior and paramount" rights. Pursuant to the 1981 agreement, the Bureau of Indian Affairs is required to ensure that these obligations are met. The Pueblos have raised concerns regarding the arrangement created by the 1981 agreement.

If confirmed, how would you improve the relationship between Reclamation, the Bureau of Indian Affairs and the Pueblos regarding Pueblo water delivery under the 1981 agreement?

Answer. The prioritization of communication and understanding by all parties is essential. Early in 2006, the Bureau of Indian Affairs (BIA) and Reclamation began holding regular meetings of technical representatives from the agencies and the Pueblos to work through technical issues related to storage and release of water for the Six Middle Rio Grande Pueblos for the 2006 irrigation season. These meetings resulted in agreement on a storage volume for the 2006 irrigation season and have facilitated a more cooperative approach to releases throughout the season. In addition, Reclamation managers regularly meet with the Six Middle Rio Grande Pueblos' Governors at their Water Coalition meetings. I would support continuation of the meetings, which have strengthened the relationship and would actively seek other methods and forums to enhance communications with the BIA and the Pueblos.

ANIMAS-LA PLATA PROJECT

Question 8. Despite past claims of mismanagement and poor planning and oversight, the A-LP project is now proceeding at an acceptable rate. The President's budget calls for $57 million for the project in FY 2007. However, some project beneficiaries claim that the project requires $75 million in FY 2007 to keep it on schedule. This project is of great importance to the communities of northern New Mexico and southern Colorado.

Do you believe that the $57 million requested by the administration is adequate to keep the project on schedule?

Answer. Yes, I believe that the administration's request of $57.4 million is adequate to maintain the current schedule as published in February 2006.

Question 9. If confirmed, how would you ensure that there are not further cost overruns with the project?

Answer. If confirmed, I would make sure that the processes implemented in 2004 are continued. The construction office continually evaluates ways to save costs and still maintain the project features. Cost tracking procedures that have been implemented relate incurred project costs to the current cost estimate (indexed for inflation) allowing for early detection of problems. This cost information is shared with the project sponsors on a regular basis.

Question 10. What approaches has the USBR taken its communications with stakeholders regarding the A-LP project that may be applicable to other projects?

Answer. I believe several project management techniques being employed at A-LP may be applicable to other projects. A "business plan" has been jointly developed which provides for a means for consultation on all important issues related to schedule and costs. The intent is to control spending, avoid surprises, and to allow for input by stakeholders on key project decisions. Some of these include: cost tracking

procedures that relate incurred project costs to the current cost estimate (indexed for inflation) allowing for early detection of problems, bimonthly detailed briefings for project sponsors, schedule control techniques, identification of significant risk items and contingency planning. A project issue notification system has also been implemented. This system allows detailed information on issues and decisions that need to be made prior to the next scheduled coordination meeting to be shared between Reclamation and stakeholders.

Question 11. If current funding levels are maintained, when do you anticipate that Project will be completed?

Answer. I am advised that the schedule reflects an estimated construction completion of features in the winter of 2011-12 (FY 2012) with project closeout in 2013.

R&D IN WATER SCIENCE AND TECHNOLOGY

Question 12. Drought and population growth in the western U.S. requires that we make more efficient use of water and develop technologies to make use of previously impaired or unusable water. During the 1960s and 1970s, the federal government funded extensive research in water technology which resulted in reverse osmosis—the desalination technique most widely used today.

I believe the federal government should renew its investment in water treatment technology. Toward this end, I have funded construction of a Tularosa Basin Desalination Research and Development Center in New Mexico.

What role do you believe the Tularosa Facility plays in the overall strategy of the Bureau of Reclamation to address western water challenges?

Answer. The Tularosa facility will serve as a key national resource for R&D on brackish groundwater. While Reclamation is still in the process of developing a business plan for the facility, and a desalination strategy, I expect that, in future years, Reclamation will draw heavily on the information and experience obtained at the Tularosa facility.

Question 13. As you are aware, the authority for Reclamation's Water Desalination Research and Development Act of 1996 was extended through FY 2006. Do you support a greater extension of this authority? If so, what changes to the authority do you believe are necessary?

Answer. I support the extension of this authority and would appreciate the opportunity to work with you and your staff on this issue.

Question 14. What is the status of the construction activities at the Tularosa Basin Desalination Research and Development Center in New Mexico? When will the facility be completed? Will additional federal money be required to complete the Facility? If so, how much?

Answer. As discussed with the Senate Appropriations Committee this year, construction is scheduled for completion in March 2007. Reclamation has been provided sufficient financial resources to complete construction.

Question 15. As Commissioner, what steps would you take to prepare for the transition of the Tularosa facility to New Mexico State University?

Answer. The present authority calls for Reclamation to issue an advertisement for a competition to enter into a cooperative agreement to operate the facility. This would allow NMSU and any other qualified entity to submit proposals for consideration. I am aware, however, that there is some effort as part of the Senate version of the FY 2007 Energy and Water Development Act to transition this facility to NMSU. I would welcome the opportunity to work with you on the appropriate next steps for the Tularosa facility.

EASTERN NEW MEXICO PIPELINE

Question 16. In 1966, Congress authorized the Bureau of Reclamation to study the feasibility of a project that would utilize water from Ute Reservoir to supply water to communities in eastern New Mexico. Feasibility assessments have been underway for 40 years, resulting in numerous reports and feasibility studies. Lack of clear Reclamation guidelines for feasibility assessments and turnover of Reclamation staff has resulted in confusion among project proponents on how best to proceed.

If confirmed, how would you bring consistency to the technical, financial and management assessment processes associated with this type of project?

Answer. Reclamation established an "Oversight Committee" to assist the Eastern New Mexico Rural Water Authority and other communities in developing acceptable feasibility reports for submission to Reclamation. If confirmed, I also plan to implement best practices that are being identified as a result of Reclamation's Managing for Excellence initiative that will rigorously track and monitor programs from inception through completion.

Question 17. When do you anticipate Reclamation will prepare a formal review of the most recent design for the Eastern New Mexico pipeline? Do you believe that additional appropriations are necessary for this purpose?

Answer. Senate Report 109-274 would allocate $500,000 in fiscal year 2007. I am advised that amount is sufficient to complete the review if sustained in final conference on the FY 2007 Energy and Water Appropriations bill. Reclamation doesn't believe additional funds are needed for this purpose. The "Oversight Committee" which was established to assist the Eastern New Mexico Rural Water Authority is currently reviewing draft technical memoranda from the Authority's consultant, relating to a number of planning and preliminary design issues. Reclamation is awaiting an economic analysis and a financial plan from the Authority, and once received, it is expected that Reclamation would be able to provide comments on a complete draft report within approximately 30 days.

GILA RIVER SETTLEMENT

Question 18. The Arizona Water Settlement Act was passed by Congress during the end of 2004. The Act contemplates the construction of a water project on the Gila River in New Mexico. The New Mexico Interstate Stream Commission is investigating potential projects.

If confirmed, do I have your assurance that you will carry out all activities needed to address the environmental and engineering requirements for a New Mexico project on the Gila River?

Answer. If confirmed, I will continue to carry out all of the responsibilities assigned to Reclamation under the Arizona Water Settlements Act, including those related to the New Mexico Project. Reclamation, through the Gila-San Francisco Coordinating Committee, is coordinating with the New Mexico Interstate Stream Commission, Southwest New Mexico Water Planning Group, and the U.S. Fish and Wildlife Service to evaluate the environmental effects of potential water withdrawals from a New Mexico Unit as outlined in Section 212(c) of the Arizona Water Settlements Act.

Question 19. Will you advocate with OMB the need to fund the preliminary and final NEPA and engineering activities required for the project?

Answer. Under the Arizona Water Settlements Act (Act), the State of New Mexico must provide written notice to the Secretary of the Interior by December 31, 2014, of whether it intends to build the New Mexico Unit. Reclamation intends to continue to seek funding, as needed, to work with the Gila-San Francisco Coordinating Committee and support New Mexico's decision-making process. The Act provides that Colorado River Basin Project Act (CRBPA) funds be available to make deposits totaling $66 million into the New Mexico Unit Fund in 10 equal payments beginning in 2012. If New Mexico decides to construct a New Mexico Unit, the Act provides that additional federal funding from the CRBPA be made available, up to a maximum of an additional $62 million. I have and will continue to be an advocate for obtaining appropriate funding for all authorized activities associated with this project.

RIO GRANDE COORDINATION

Question 20. The Rio Grande, like many other rivers in the West, is managed by various Federal and non-Federal agencies, each with its own management plans. Frequently, these plans are not well integrated and conflict. In the Senate version of the FY2007 Energy and Water Development Appropriations bill, I provide funding for the Corps of Engineers and Reclamation to work jointly to undertake an Integrated Management Plan.

Do you recognize the value of integrated resources management and watershed based planning?

Answer. I believe that integrated resources management and watershed-based planning are a necessity throughout Reclamation, and the Rio Grande is no exception. There are currently numerous efforts in the Rio Grande along those lines. They include regular, often daily, conference calls amongst numerous water management entities. These calls are used as a forum for all stakeholders to present their projected water demands and to allow discussion of river conditions, weather forecasts, Endangered Species Act compliance issues, and reservoir storage and release issues. The information exchanged during the calls is then used by water management entities, including Reclamation and the Corps of Engineers, to improve and optimize management of the Upper Rio Grande.

Question 21. What examples of integrated watershed planning currently undertaken by Reclamation serve as a model for this activity in the Rio Grande in New Mexico?

Answer. I believe a prime example is the Upper Rio Grande Water Operations Review and EIS in which the Corps of Engineers, Reclamation, and the New Mexico Interstate Stream Commission evaluated respective operations and evaluated opportunities to optimize those operations. Not only did the three Joint Lead Agencies mentioned above devote numerous resources, but many other entities within the basin also contributed significant resources. Technical information gathered and evaluations done utilizing tools such as the Upper Rio Grande Water Operations Model will be the foundation for future water management decisions in the basin.

While each river basin is unique, there are other river basins where I believe that integrated management and planning are successfully being implemented. Various forms of integrated management and planning are ongoing in basins including the Colorado, Platte, Sacramento, San Joaquin, Yakima, and others. All involve collaborative processes that bring stakeholders, governmental agencies, environmental groups, and others together to work toward balanced and hopefully consensus-driven solutions to management of resources.

CHIMAYO AND ESPANOLA WATER SYSTEMS

Question 22. Two small communities in the Pojoaque basin north of Santa Fe, New Mexico have contaminated and unreliable groundwater resources. In 2004, legislation was enacted to help these two communities with their water resources needs. In FY 2005 and 2006, appropriations were provided to Reclamation for this purpose.

If confirmed, will you continue to help these two communities resolve their water resources problems? If so, how?

Answer. If confirmed, I would continue Reclamation's efforts in providing help to those communities including NEPA assistance, engineering design, cost estimation and construction management as appropriate from the funds allocated to the projects by Congress.

ESA COLLABORATIVE PROGRAM

Question 23. In order to address endangered species issues in the Middle Rio Grande Valley, I established the Middle Rio Grande Endangered Species Act Collaborative Program. The Program provides a forum for over 20 Federal, State, local and non-governmental entities to discuss ways to address endangered species issues along the Rio Grande. However, many of the organizations involved in the program have concerns over the Bureau of Reclamation's administrative efficiency. In the FY 2007 Energy and Water Development Appropriations Bill, I included a provision that directs Reclamation to undertake a study of the administrative costs associated with the Bureau of Reclamation's administration of the program and identify opportunities to increase the percentage of funds that are spent to comply with the 2003 Biological Opinion.

How is compliance with the 2003 Biological Opinion proceeding? Do you feel that adequate funds for this purpose are included in the President's Fiscal Year 2007 budget request?

Answer. Reclamation and the Corps of Engineers remain in compliance with the 2003 Middle Rio Grande Biological Opinion (BiOp), and Reclamation anticipates being able to comply in fiscal year 2007. Adequate funds are provided in the budget request for activities necessary to remain in compliance and to contribute to the recovery of the listed species and the development of the Collaborative Program.

Question 24. What construction activities required by the 2003 Biological Opinion do you anticipate will be completed by the end of this calendar year?

Answer. I am advised that construction activities that are expected to be completed by the end of the year include: additional streamgages, gates and check structures; at least seven habitat restoration projects between Ohkay Owingeh (San Juan Pueblo) and Elephant Butte Reservoir; the silvery minnow refugium in Albuquerque; and sandbar destabilization in the Rio Grande.

Question 25. If confirmed, how will you ensure that administrative costs associate with the program are kept to a minimum?

Answer. Reclamation is working through the Executive Committee of the Collaborative Program to identify areas where we can reduce administrative costs and still protect the integrity of the collaborative process. If confirmed, I would work with the Executive Committee to continue with this effort.

WATER 2025

Question 26. One area in the USBR budget request where the President is proposing an increase is in the Water 2025 program. The budget requests $14.5 million for Water 2025, a $9.6 million increase from the FY06 enacted level. This is nearly

a 300 percent increase over last year's enacted level. As you know, I introduced legislation authorizing the Water 2025 program.

What are some of the major accomplishments of Water 2025? Specifically, how have funds that have been appropriated for the program reduced conflict among water users?

Answer. In just three years since the inception of the program, the Water 2025 Challenge Grant program is thriving, and a number of other Water 2025 efforts are underway to develop technology that can be used by water managers to stretch scarce water supplies, thereby reducing the likelihood of conflicts over water.

In fiscal year (FY) 2004 and FY 2005, the Challenge Grant Program funded 68 projects to carry out approximately $58 million in water system and water management improvements across the West (approximately $15 million in Federal investment and $44 million in non-Federal cost-share). Despite limited funding in FY 2006, Reclamation received more than 100 proposals for Challenge Grant funding for the third straight year, representing a combined request for over $19 million in Federal funding to complete more than $63 million in improvements across the West. The 10 projects selected for FY 2006 funding leverage $1.3 million in Federal funding into more than $5.6 million in water system and water management improvements.

Reclamation will begin collecting data regarding the benefits of the Water 2025 Challenge Grant projects funded to date in the coming fiscal year. Recipients are required to complete their projects within two years from the date of award; therefore, the first projects funded under this program in 2004 are expected to be completed in October. Based on estimates in the project proposals, the 68 projects funded in FY 2004 and FY 2005, along with the 10 projects selected for FY 2006 funding, could save up to 296,000 acre feet per year, collectively, once fully implemented.

Additionally, the funded Challenge Grant projects have already helped to form collaborative alliances that will help to prevent future water conflicts. For example, the Central Oregon Irrigation District, an FY 2004 Challenge Grant recipient, is working on the establishment of a pilot water bank in the Deschutes Basin through an alliance of seven irrigation districts, six cities, three tribes and the Deschutes Resource Conservancy (the "Deschutes Water Alliance" or the "Alliance"). In Utah, the Sevier River Water Users Association—a partnership of canal companies and river commissioners—is using their FY 2005 Challenge Grant to enlarge the existing Supervisory Control and Data Acquisition (SCADA) system to allow for expansion of real-time monitoring and control systems in a five-county area.

The projects selected for award through the Challenge Grant program in FY 2004, FY 2005, and FY 2006 incorporate the following improvements (assuming that all 10 projects selected for funding in FY 2006 receive awards):

- 27 projects, collectively, will convert 86 miles of dirt canals to pipeline.
- 48 projects include installation of water measurement devices, SCADA systems and automated water delivery systems.
- 14 projects include water marketing plans.

Water 2025 has also helped to fund water efficiency improvements apart from the Challenge Grant Program. For example, Reclamation and the Middle Rio Grande Conservancy District in New Mexico are 50-50 cost share partners on projects to implement water efficiency measures inside the district, including installation of flow measurement devices, lining canals, automating weather stations, and diversion dams throughout the District boundaries. To date, $4.5 million in Water 2025 funding has been allocated to the project.

Additionally, Water 2025 has provided funding for cost-shared grants for the improvement of desalination technology. In FY 2005, $1.7 million in Water 2025 funding was applied to such grants through Reclamation's Desalination and Water Purification Program (DWPR) grant program. With this funding, 16 projects were awarded, including 11 research studies, 1 research pilot, one demonstration project, and 3 continuing pilot projects.

Past successes of Water 2025 also include Reclamation's collaborative efforts to improve water management technology. Through the Challenge Grant Program, for example, Reclamation has provided funding to the Mancos Water Conservancy District in Colorado to test the effectiveness of different canal lining materials. Also through Water 2025, Reclamation has formed a strategic alliance with the International Center for Water Resources Management at Central State University in Ohio, the Ohio View Consortium, and Colorado State University to develop advanced remote sensing technologies to allow for more efficient water management decisions. Likewise, Reclamation is collaborating with the Desert Research Institute in Nevada on projects including the development of protocols for the application of

polyacrylamide (PAM) as a low cost, effective option to significantly reduce irrigation canal seepage.

Question 27. The Science and Technology Program and the Title XVI program have some similarities. Do you believe that activities authorized by both programs should be combined into one authority? Is there unnecessary duplication among the two programs?

Answer. The primary focus of the Title XVI Water Reclamation and Reuse Program is to provide technical and financial assistance to local water agencies to plan, design and construct congressionally authorized water recycling projects. These projects are typically very large scale and many cost in excess of $100 million to implement. The Title XVI Program is only minimally involved in research and demonstration projects, which is one of the principle focus areas for Reclamation's Science and Technology Program within the Office of Research and Development. Therefore, there is very little, if any, duplication of effort between these programs and I believe it would make sense that they continue to be managed and operated under separate authorities.

RURAL WATER

Question 28. Senator Bingaman and I worked very closely with the Department to develop a rural water bill which, in November of last year, passed the full Senate. The House Resources Committee recently held a hearing on this bill. The President's budget proposes a $14 million, 17 percent decrease for currently-authorized rural water projects.

What is your opinion on the loan guarantee program contained in S. 895? Do you believe it will benefit stakeholders who are responsible for extraordinary operations, maintenance and rehabilitation costs? If so, how?

Answer. As our infrastructure ages, it seems to be increasingly difficult for water districts to absorb in any single year the costs of some of the significant, non-routine operation, maintenance and rehabilitation costs. This is a tough challenge, particularly since these water districts sometimes have difficulty securing 1 financing on affordable terms. (They cannot pledge the federal project works as collateral because they do not own them.) I believe loan guarantee authority may be a highly useful tool in helping water districts meet this need. As you know, the Administration has been exploring the idea of a loan guarantee program within Reclamation in order to help meet this challenge. If I am confirmed as Commissioner, I would look forward to working with you on how to meet these challenges, including through the possible use of new loan guarantee authority.

COLORADO RIVER MANAGEMENT

Question 29. As you know, the seven basin states reached agreement on a draft management plan for the Colorado River in order to minimize shortages in the Lower Basin and reduce the risk of curtailment in the Upper Basin. It is my understanding that this plan will require further refinement but is a good step towards addressing this often contentious issue.

When do you anticipate that the Department of the Interior will complete the implementation of a final plan?

Answer. Reclamation anticipates issuing a Record of Decision (ROD) in December 2007. Leading up to the issuance of the ROD, Reclamation is currently analyzing the impacts of a range of proposed project alternatives in a draft Environmental Impact Statement (EIS) that we anticipate will be published in February 2007. We anticipate that a final EIS will be issued in September 2007. The EIS process is providing an opportunity to consider the tradeoffs between the frequency and magnitude of shortages and the benefits of water storage in Lakes Powell and Mead, including water storage, power production, recreation, and environmental benefits.

Question 30. What is the status of the implementation of the Colorado surplus plan developed several years ago?

Answer. Water transfers have been occurring between California's agricultural and municipal and industrial users and California is living within its 4.4 million acre-foot (mat) apportionment of Colorado River water. Current drought conditions in the Colorado River Basin have limited the opportunities for California and others to obtain surplus water under the Colorado River Interim Surplus Guidelines (ISG).

The ISG, adopted in January 2001 and effective through 2015, are applied each year as part of the Annual Operation Plan to determine the conditions under which the Secretary may declare the availability of surplus Colorado River water for the states of Arizona, California, and Nevada. The ISG were adopted to provide California with a "soft landing" to gradually reduce its use to 4.4 mall The Colorado River Water Delivery Agreement, signed on October 10, 2003, implemented the

"California 4.4 Plan" by quantifying the water entitlements of key California water agencies and also providing for the transfer of water among the California agencies. As part of the development of Lower Colorado River Basin shortage guidelines and coordinated management strategies for Lake Mead and Lake Powell, Reclamation is considering the extension and/or modification of the terms of ISG through 2025 to provide a consistent interim period under which to gain valuable experience to advise future operations of the reservoirs.

Question 31. How do you plan to implement the recommendations of the shortage management plan, particularly the suggestions for increasing water available in the Colorado River?

Answer. Reclamation anticipates issuing a Record of Decision in December 2007 that will establish guidelines for the coordinated operations of Lake Powell and Lake Mead. These guidelines will then be implemented each year through the development of the Annual Operating Plan for the Colorado River. I expect that the guidelines will include provisions allowing for the storage and delivery of conserved and developed water. Most importantly, our implementation will be guided by constant and effective communication with the Basin states and the stakeholders with ongoing interest in the management of the Colorado River.

Additionally, there are many specific proposals for projects and measures that will help augment water supplies of the Colorado River. The specific projects will be considered on a case-by-case basis and implemented consistent with appropriate environmental compliance and agreements among the parties involved.

2003 BIOLOGICAL OPINION FLOW REQUIREMENTS

Question 32. Mr. Johnson, in 2008, the City of Albuquerque will begin diverting its allocation of San Juan Chama Project water. As a result, Reclamation will no longer be able to lease this water in order to comply with the flow requirements contained in the 2003 Biological Opinion for the Rio Grande Silvery Minnow. I understand that Reclamation initiated a series of meetings in order to address this problem.

How do you propose that we address the shortfall of water for the Silvery Minnow when the City of Albuquerque's allocation of San Juan Chama Project water is no longer available?

Answer. In recent years, there have been other willing sellers of San Juan-Chama Project water. In the future, Reclamation recognizes that the municipalities will be developing the capability to divert and use their contract water. Reclamation is working with the Fish & Wildlife Service, the Corps of Engineers, the State of New Mexico, and other stakeholders through the Middle Rio Grande Collaborative Program to look at opportunities to more efficiently meet all water users' needs and also to secure water. If confirmed, I would encourage Reclamation to pursue a long-term strategy for meeting the needs of the silvery minnow through involvement of key agencies, entities, and stakeholders.

Question 33. Please explain to the Committee the progress Reclamation has made in meetings to address this problem.

Answer. Reclamation, with the help of the Middle Rio Grande Collaborative Program, has initiated discussions with the key agencies, entities, and stakeholders on addressing this problem. A facilitated workshop, sponsored by the Collaborative Program, was held, and a formal dialogue was started which will lead to follow up actions anticipated over the coming months. If confirmed, I would support the continuation of this dialogue which I hope will lead to additional progress in meeting the long-term goals of the Collaborative Program.

INDIAN WATER RIGHTS SETTLEMENTS

Question 34. Mr. Johnson, un-adjudicated Indian water rights claims in New Mexico are a source of great uncertainty and must be resolved. Reclamation has a significant role in advancing these settlements. The proposed Navajo settlement would require the construction of the Navajo-Gallup Pipeline for which an Environmental Impact Statement would be required. The Aamodt and Abeyta settlements require the acquisition of water in the Rio Grande Basin. Several months ago, Reclamation produced a document that identifies an additional 1,010 acre feet of water per year that is available in the Rio Grande Basin.

If confirmed, would you undertake technical analyses to ensure that the 1,010 acre feet of additional water is available for the Aamodt and Abeyta settlements? When would you complete these analyses?

Answer. I am advised that, using computer modeling runs, the Corps of Engineers and Reclamation are cooperatively assessing the availability of the estimated 1,010

acre feet of additional water. We anticipate that these analyses would be completed within six months.

Question 35. When do you anticipate Reclamation will complete the draft Environmental Impact Statement for the Navajo-Gallup Pipeline?

Answer. I understand that Reclamation and the Department are currently revising the Navajo-Gallup Water Supply Project Preliminary Planning Report/Draft Environmental Impact Statement to address comments received from an initial departmental review. The revised document should be available for cooperating agency review within 30 days.

Question 36. If confirmed, what other technical assistance can Reclamation provide to advance the New Mexico Indian water rights settlements?

Answer. Reclamation is prepared to provide technical assistance needed in analyzing water rights, evaluating proposed water delivery systems, or modeling the effects of moving water rights to different locations. There are a significant number of appurtenant contracts, State diversion permits, applications, and cooperative agreements associated with the proposed settlements that Reclamation could assist in developing. If confirmed, I would be happy to work with you in providing technical assistance.

Question 37. If confirmed, what action would you take on the hydrologic determination required for the Navajo Settlement?

Answer. The hydrologic determination of the availability of water from Navajo Reservoir was transmitted from the Acting Commissioner of Reclamation to the Secretary of the Interior's Water Rights Office on July 3, 2006. This determination must be approved by the Secretary prior to completion of Indian Water Rights Negotiations. The Secretary must then approve a settlement contract. The hydrologic determination and the contract must then be transmitted to the Congress for approval.

MANAGING FOR EXCELLENCE

Question 38. Reclamation's Action Plan, identifies 41 "action items" that, according to Reclamation, require thorough analysis and decision making.

What do you believe is a reasonable timeframe for Reclamation to complete implementation of the Action Plan?

Answer. Employee teams have been formed for all 41 action items. Those teams have begun to analyze the issues and will be obtaining input from stakeholders and employees, conducting in-depth studies, and developing alternatives and recommendations. Many of the action items will be completed in 2006, and all action items will be completed by December 2007. As teams complete their action items, Reclamation leadership will make decisions for implementing recommended changes and improvements. However, the involvement of stakeholders is vital to the success of the effort. For example, roughly half of the action items cannot be credibly addressed without direct input from water and power customers. Other action items depend on the wisdom of rank-and-file employees, changes to legislation, or expert guidance from government management experts inside and outside of the Department of the Interior. We will seek help and support from all these sources.

AGING INFRASTRUCTURE

Question 39. I am concerned about Reclamation's ability to maintain its existing infrastructure. The average Reclamation project is over 50 years-old and some projects are over 100 years-old. In many instances, projects have exceeded their design life. This has resulted in a great increase in operational, maintenance, and rehabilitation obligations for both Reclamation and stakeholders. However, as these facilities age, many communities can no longer afford the costs of operations, maintenance and rehabilitation associated with Reclamation facilities.

How do you propose we address increasing operational, maintenance and rehabilitation obligations for both Reclamation and stakeholders? Do you believe that loan guarantees to Bureau customers provide a good tool to address this problem?

Answer. Reclamation will continue to advocate a preventive maintenance philosophy (condition assessments, equipment testing, and related evaluations) to identify deficiencies at an early stage so that more costly breakdown maintenance and service interruptions are avoided or minimized. This philosophy will also help to lengthen the service lives of related infrastructure facilities, thereby reducing the need for costly major rehabilitation and replacement activities. Additionally, these early identification and communication of operation, maintenance, and replacement (OM&R) needs will assist Reclamation and stakeholders to plan accordingly through the accumulation of adequate reserve funds and/or budgetary resources. Where these strategies are insufficient to meet the costs of extraordinary OM&R, I believe

a loan guarantee program may be a highly useful tool in helping water districts meet this need.

Question 40. Noting the average age of USBR infrastructure, are you concerned with the possibility of catastrophic failure of Reclamation facilities? If confirmed, how would you address this problem?

Answer. Reclamation actively monitors facilities for safety and integrity, and does not have indications where there may be a catastrophic failure of any of its facilities due specifically to aging. Through established monitoring, assessment, and evaluation programs and procedures at these facilities, Reclamation continues to take the necessary steps, in concert with involved stakeholders, to avoid and prevent any catastrophic failures. However, regardless of the impact of aging, there is always the possibility of concerns or issues beyond the control of Reclamation that may contribute to any such failure. Reclamation continues to address these situations with proactive efforts and diligence to help ensure the structural integrity and operational reliability of these facilities. Maintaining an active and vigorous dam and facility safety program will continue to be a high priority for Reclamation if I am confirmed as Commissioner.

Question 41. Do you believe that OMB appreciates the increasing budgetary burden that OM&R obligations will impose on Reclamation? If not, do you plan to advocate this need for additional funding for this purpose with OMB?

Answer. Yes. I believe that the challenges of meeting OM&R obligations in a time of limited budgets is well understood and appreciated within the Department of the Interior and OMB. While I expect that we will continue to operate with limited budget constraints in the near future, as Commissioner, I would work closely with the Department, OMB and Congress to ensure that our obligations are well understood, our work is properly prioritized, and that adequate funding is available.

OUTSOURCING

Question 42. The FY2003 Omnibus Appropriations Act contained a provision requiring Reclamation to use the private sector for 10 percent of its planning, engineering and design work in fiscal year 2003, and 10 percent in each subsequent year until the level of work is at least 40 percent.

Were you aware of this requirement, and do you know if Reclamation has complied with this statutory mandate?

Answer. Yes, Reclamation has complied with this fiscal mandate. According to the most recent data available as of July 2004, Reclamation identified approximately 43% of this type of work as being outsourced in fiscal year (FY) 2003, and 45% in FY 2004.

Question 45. According to OMB Circular A-76, "commercial activities should be subject to the forces of competition." The Circular also states that "the government shall perform inherently governmental activities."

How would you define "inherently governmental" ?

Answer. I would apply the definition of "inherently governmental" that appears in Attachment A of OMB Circular A-76 at pages A-1 and A-2, which emphasizes that inherently governmental activities are those that are "intimately related to the public interest."

Question 44. Former Assistant Secretary for Water and Science, Bennett Raley, who requested the NRC report, found "construction functions can almost always be performed cheaper and more efficiently by districts or private companies." I have heard similar complaints from Reclamation customers as well.

Is it your experience that Reclamation costs are higher than those found in the private sector for similar services? If so, to what do you attribute these higher costs?

Answer. I have heard both positive and negative comments from customers and Reclamation field staff regarding the cost of its engineering services. Reclamation has studied this issue, and found that its costs are very similar to those found in the private sector. Our Technical Service Center in Denver has continuously benchmarked its products and services with those of the private sector.

In any case, it is critical that Reclamation accomplishes its engineering activities in the most cost efficient manner possible, consistent with sound engineering principles. Reclamation is conducting a comprehensive evaluation of its Engineering and Design Services so that we are able to determine what level of core capability is needed to fulfill our mission with appropriate quality and efficiency in the future. This activity is now underway as part of the Managing for Excellence process, and will be complete by December 2007.

Question 45. Do you believe that greater outsourcing by Reclamation would result in cost savings to Reclamation customers?

Answer. At this time, I cannot say conclusively whether this practice would reduce or increase costs to Reclamation customers. As we intend to determine through the Managing for Excellence process, the key question is exactly what activities and to what extent can further outsourcing be accomplished without compromising our ability to accomplish the Reclamation mission. We must also be sensitive to the interests of the taxpayers, our rate payers, and the long-term capability of our organization.

RESPONSES OF ROBERT W. JOHNSON TO QUESTIONS FROM SENATOR THOMAS

Question 46. As you know, the seven Colorado River Basin States are developing a basin-wide water supply augmentation plan for the Colorado River Basin. Assuming that the provisions of this augmentation plan are workable, what are your views on the appropriate role for the Bureau of Reclamation in assisting the seven Basin States in that plans implementation?

Answer. I fully support the efforts of the Basin States to develop an augmentation plan for the Colorado River Basin. Reclamation is focusing its efforts on working with the states to develop a dependable water supply that will carry the basin through good times and bad. To that end, we are engaged in a number of strategies to stretch water supplies, including conservation efforts, water banking, technological improvements to infrastructure, and hydrology studies. If confirmed, I would continue this constructive arrangement with the states.

Question 47. What water management options do you think the Bureau of Reclamation will employ to facilitate the implementation of water supply augmentation measures to be proposed in the States' plan?

Answer. In the Colorado River Basin, we anticipate establishing guidelines in December 2007 for the coordinated operations of Lake Powell and Lake Mead as well as guidelines for determining and implementing shortages in the lower basin. In addition, we anticipate that these guidelines will include administrative provisions that will facilitate the storage and delivery of certain water supply augmentation measures in the lower basin. The proposed guidelines will then be implemented each year through the development of the Annual Operating Plan for the Colorado River.

We are currently engaged with the Basin States as they advance their augmentation studies and pilot projects for consideration and implementation. Some projects will be implemented independently by the states, both individually and collectively, and others will require both federal and state implementation. For example, cloud seeding activities would likely be a state activity, while others, such as the Drop 2 Regulatory Storage Project in the lower basin, would involve joint efforts by multiple entities, including Reclamation.

Question 48. Aging infrastructure is a huge issue facing the Bureau of Reclamation across the western United States. Many Reclamation structures, such as the Pathfinder Dam in Wyoming, are close to 100 years old and need significant rehabilitation. Our national dependence on this critically important water infrastructure, due to ongoing drought, increasing water demands and the need for hydropower generation, is only growing.

What, in your view, is the best approach for Reclamation to take in addressing the fiscal impacts that infrastructure rehabilitation will create for the American people?

Answer. Reclamation is keenly aware of the fiscal issues associated with infrastructure rehabilitation. As part of Managing for Excellence, an aggressive effort is underway to develop a response to this challenge. Reclamation is conducting an assessment of the need and is gathering data from districts in an effort to fully understand this challenge.

The Administration has been exploring the idea of a loan guarantee program within Reclamation in order to help meet this challenge. Additionally, as you know, a provision authorizing a loan guarantee program is included in S. 895, introduced by Senators Domenici and Bingaman. I believe loan guarantee authority could be a highly useful tool in helping water districts meet this need. If I am confirmed as Commissioner, I would look forward to working with you on how to meet these challenges, including through the possible use of new loan guarantee authority.

RESPONSES OF ROBERT W. JOHNSON TO QUESTIONS FROM SENATOR SMITH

Question 49. What is the status of the Chiloquin Dam removal effort in the Upper Klamath Basin?

Answer. Reclamation continues to work closely with Bureau of Indian Affairs (BIA) and Modoc Point Irrigation District to secure agreements to allow the removal of Chiloquin Dam to proceed. When such agreements are executed, Reclamation will

work closely with BIA to achieve the removal in an expeditious and cost effective manner, with as little environmental disruption as possible.

Question 50. What is the Bureau doing to lower reimbursable operations and maintenance costs (i.e. power costs) for the Klamath Project, in light of the pending electricity rate increases?

Answer. Reclamation continues to work with the water users to attempt to limit the expected increases in power rates. Reclamation has provided testimony in rate increase hearings in both the Oregon and California Public Utility Commissions, and has provided a Section 4(e) requirement to Federal Energy Regulatory Commission (FERC) in the Project No. 2082 re-licensing process to limit the power cost to the cost of service. Reclamation will continue to make this issue a priority in any venue that may yield lower rates for Project use as well as water user rates.

Question 51. How is the Bureau preparing for the reintroduction of salmon about the Pelton-Round Butte Dam in the Deschutes Basin?

Answer. According to the NOAA Fisheries February 1, 2005, Biological Opinion to FERC, the reintroduction of anadromous fish above Pelton-Round Butte dam is "a sizeable and complex undertaking" with "major uncertainties." Additionally, Reclamation is unaware how NOAA Fisheries will treat these fish for purposes of Endangered Species Act protection. We are monitoring the progress of the program and are prepared to respond appropriately as this experimental effort continues.

RESPONSES OF ROBERT W. JOHNSON TO QUESTIONS FROM SENATOR BINGAMAN

NAVAJO-GALLUP PROJECT DELAYS

Question 52. In early July, I sent a letter to Secretary Kempthorne requesting that the Department release the draft EIS on the Navajo-Gallup Pipeline Project. This letter was a follow-up to an April 2003 letter I sent to Commissioner Keys urging Reclamation to complete the draft EIS. At that time, I was told to expect a public release by February 2004. Here we are two and a half years later and still no EIS. Yet Congress has appropriated almost $3 million over the last 8 years to complete a feasibility study of the project.

Doesn't this strike you as an unusually long time to complete a feasibility study and EIS? As Regional Director of Reclamation's Lower Colorado River region, did you have any studies or environmental reviews take this long and cost this much money? Will you review this situation and report back on the record, the status of the EIS and when I can expect it to be released to the public?

Answer. The length of time taken to develop, review, and release the Navajo-Gallup Water Supply Project Preliminary Planning Report/Draft Environmental Impact Statement is certainly more lengthy than usual and is longer than Reclamation originally anticipated. The Department and Reclamation are currently revising the Navajo-Gallup Water Supply Project Preliminary Planning Report/Draft Environmental Impact Statement to address comments received from an initial departmental review. The revised document should be available for cooperating agency review within 30 days. If confirmed, I would be prepared to encourage the release of the document as quickly as possible and would be willing to report back to you on its progress.

MANAGING FOR EXCELLENCE

Question 53. Last year, the National Academy reviewed and expressed concern about Reclamation's approach to a number of issues, including project planning and development. Reclamation's own self assessment seems to validate that concern in the "Managing for Excellence" plan, where it states there exists a lack of guidance on developing projects, as well as a lack of consistency.

Is the lengthy process and the delays in developing the Navajo-Gallup EIS representative of problems with Reclamation's planning process or has the process been delayed by other actors within the Department of the Interior? What can you do as the Commissioner of Reclamation to increase the organization's efficiency in project planning? Is this a priority in the Managing for Excellence effort?

Answer. The Navajo-Gallup DEIS is currently being reviewed within the Department and as you know this project has been included as part of a larger Navajo Nation water rights settlement on the San Juan River in New Mexico. This issue is complex and we recognize that the process thus far has been lengthy.

Reclamation is addressing project planning as part of our Managing for Excellence effort. If confirmed, as Commissioner I will ensure that processes are developed to increase efficiency and transparency in our project planning efforts.

EASTERN NEW MEXICO RURAL WATER PROJECT

Question 54. The Navajo-Gallup EIS is not the sole example of problems with Reclamation's planning process. In Eastern New Mexico, a number of communities have been working together for almost 10 years to develop an Eastern New Mexico Rural Water System. Reclamation has been long involved in this effort but never raised substantial issues with the project until I introduced legislation in 2004 to try and force a dialogue on the project. The issues Reclamation raised have to do with the project's feasibility and seem to represent a moving target that is very frustrating for the communities involved.

Are you in favor of Reclamation creating clear feasibility criteria so that the project proponents have realistic expectations of the types of analysis that need to be undertaken in evaluating projects? Is the development of such criteria part of the Managing for Excellence effort?

Answer. Reclamation recognizes that through our Managing for Excellence effort we have a timely opportunity to review and enhance our feasibility study criteria. If confirmed, as Commissioner I am committed to clearly communicating the results of our team activities to our stakeholders.

RECLAMATION FUND

Question 55. Whether it be Indian water rights settlements, rural water projects, Water re-use projects; conservation programs; or endangered species recovery programs, there is a huge unmet need out there in Reclamation's service areas for federal resources to help States address pressing water needs. Recognizing the budget cuts made in all federal water resource programs, the Western Governors Association, in a recent report entitled "Water Needs and Strategies for a Sustainable Future", suggest increasing appropriations from the Reclamation Fund to support authorized Reclamation projects and purposes. As I understand it, the Reclamation Fund, which includes several different revenue sources to support authorized Reclamation activities, currently has an unappropriated balance of approximately $6 billion. This surplus exists because revenues have greatly exceeded appropriations from the Fund over the last several years.

Do you agree with the Western Governors that it makes sense to tap into the Reclamation Fund surplus to help address some of the urgent water needs that exist in the arid West? If not for general use, would it make sense to tap into that surplus for a specific and defined purpose, such as the implementation of Indian Water Rights settlements?

Answer. I am aware of the position of the Western Governors Association on the use of the Reclamation Fund to meet western water needs. It is an interesting idea. However, it is not one that has been vetted within the Administration or with stakeholders. If confirmed, I would be willing to have an appropriate dialogue about this idea along with other proposals regarding what might be done in a time of limited budgets to meet important needs.

CLIMATE CHANGE AND WATER

Question 56. The Climate Change debate now seems to be shifting from whether or not Climate Change is occurring, to a discussion of how to respond. With respect to water, we're already experiencing significant effects. Average temperatures in the West have increased between 1 & 2 degrees F over the last 100 years and as a result, precipitation patterns are changing with an observed trend of less snow pack and more rain. Snow melt and peak runoff times are also occurring earlier. These changes can have significant implications for water managers. Increasing temperatures can increase the demand for water as well as reservoir evaporation. Less snow pack and more rain can also significantly affect reservoir storage.

What is Reclamation doing—or what should it be doing—to assess the temperature changes being experienced in the West and determine how it might need to modify its current approach to water management? As the largest supplier and manager of water in the 17 western States, does Reclamation have a responsibility to lead an effort to help the water management community address ongoing impacts of climate change?

Answer. Reclamation has a long history of dealing with climate variability. Since its inception, Reclamation's water managers and stakeholders have had to cope with the highly variable climate of the western U.S. As historical observations and prehistorical records show, climate in the West is characterized by variability over a range of timescales. Through the mission of providing water and power to the West, Reclamation water managers and stakeholders have developed a wide array of tools and methods for dealing with climate variability. Although Reclamation does not di-

rectly research potential future changes in climate variability, Reclamation engineers and scientists strive to keep abreast of the voluminous literature on the topic. As a matter of practice, operational plans and hydrology data are constantly updated, thereby taking into account short term climate variability.

Reclamation is currently working with other state and federal agencies to address potential vulnerabilities to climate change and develop appropriate response strategies. Through the Research and Development program, Reclamation is testing the application of innovative tools for water supply forecasting, and looking at methods of assessing risk to water delivery from climate change. To the degree that there is scientifically reliable information available, Reclamation should make use of that data in decision making. There are a number of examples where climate change is being actively considered by Reclamation in the resources planning process, including the Salton Sea alternative studies and the Colorado River Coordinated Management and Shortage Guidelines EIS.

AAMODT & TAOS WATER SETTLEMENTS

Question 57. In May of this year, Reclamation staff put together a concept paper describing a potential opportunity to provide additional San Juan-Chama project water for New Mexico Indian water rights settlements. The proposal appeared promising but it is unclear how it is now being evaluated to determine whether or not an additional supply of water is in fact available.

Would you please check into this matter and report back on the status of the analysis that was described in the concept paper? How might you further this effort as Commissioner?

Answer. Reclamation is currently undertaking an analysis with the Corps of Engineers, using modeling tools to determine what water is available for use in Indian water right settlements. We anticipate that these analyses will be completed within six months. If confirmed as Commissioner, I would support this and other efforts to think creatively about potential sources of water.

COLORADO RIVER

Question 58. There are a number of ongoing initiatives involving the use of water from the Colorado River system.

Please describe in detail the process and schedule for developing Lower Basin Shortage Guidelines and Coordinated Management Strategies for Lake Mead and Lake Powell. What is the overall goal for this effort?

Answer. The overall goal of this effort is to improve the Interior Department's annual management and operation of key Colorado River reservoirs, providing a greater degree of certainty to water users with regard to future water supplies. In addition, these actions will be designed to delay the onset and magnitude of shortages and maximize the protection afforded to water supply, hydropower production, recreation, and environmental benefits by water storage in Lakes Powell and Mead.

The proposed guidelines and coordinated operations strategies are a major federal action for which Reclamation is preparing an Environmental Impact Statement (EIS). The EIS process is providing an opportunity to consider the tradeoffs between the frequency and magnitude of shortages and the benefits of water storage in Lakes Powell and Mead, including water storage, power production, recreation, and environmental benefits. Reclamation is engaging the public, stakeholders, and other interested parties in the study process. Reclamation has issued a Summary Scoping Report encompassing the comments received during the public scoping process. Draft project alternatives were published in June of this year that provide a means for us to consider a broad range of potential impacts to be evaluated in the draft EIS. Currently, we are considering the potential hydrologic effects of each draft alternative and will analyze the potential impacts to environmental resources. The results of the hydrologic and resource analyses will be documented in a draft EIS, targeted for public release in February 2007. Reclamation anticipates that a final EIS will be completed in September 2007, and a Record of Decision will be issued in December 2007.

Question 59. In May 2006, the Upper Colorado River Region developed a draft hydrologic determination regarding the water available from Navajo Reservoir and the Upper Colorado River Basin for use in New Mexico. It's my understanding that the hydrologic determination is now awaiting Secretarial approval. Unfortunately, it now appears that the Lower Basin states have raised issues in with the hydrologic determination.

What is the process right now for getting Secretarial approval of the hydrologic determination? If confirmed as Commissioner, what will be your role in resolving

any outstanding issues and getting the hydrologic determination approved as quickly as possible? If confirmed, will you make this a priority for you and your staff?

Answer. Certainly the hydrologic determination is an important and critical step in the process of settling the water rights claims of the Navajo Nation in the San Juan River Basin. The requirement for a determination is triggered when a proposed contract for water from the San Juan River Basin or Navajo Reservoir is forwarded to the Secretary. The Navajo San Juan Settlement includes such a contract as part of the settlement, but I have been informed that the Navajo Settlement is not sufficiently developed at this time and that some changes to the contract could occur through the legislative and environmental review processes. The Lower Division States of California, Nevada, and Arizona have recently submitted comments to the Department regarding the hydrologic determination. The Department is reviewing these comments but does not expect that this review will result in any delay to a hydrologic determination.

MIDDLE RIO GRANDE

Question 60. Congress has provided significant funding over the last several years to Reclamation to work with the Middle Rio Grande Conservancy District on conservation projects and improved water operations. This program has been successful in helping to reduce the District's water diversions thereby preserving storage to help protect against drought and providing potential flexibility in water management to address environmental needs.

What do you think can be done to ensure that improved efficiencies in the Middle Rio Grande project contribute to a long-term strategy to address the potential water use conflicts that exist in the Middle Rio Grande? Would you support the use of Reclamation resources to help make similar water infrastructure improvements for the benefit of the Middle Rio Grande Pueblos?

Answer. I believe that, with improved water efficiencies, the Middle Rio Grande Conservancy District would be better able to modify operations to assist in meeting biological opinion requirements without affecting their ability to meet the needs of individual farmers. Through this increased flexibility, there will be opportunities to formulate the long-term strategy that will reduce conflict. Similar water infrastructure improvements for the benefit of the Middle Rio Grande Pueblos would also be of significant value. If confirmed, I would support the use of Reclamation resources to the extent possible to assist the Middle Rio Grande Pueblos in making similar water infrastructure improvements.

SITE SECURITY

Question 61. There appears to be some frustration with Reclamation's customers as to how Reclamation is attempting to allocate the costs of site security.

Are you working with the power and water-user communities to address these issues? From your perspective, what are the key issues that need to be addressed to determine how to fairly allocate these site security costs?

Answer. Yes, Reclamation is working regularly with the water and power community, as well as the appropriate House and Senate committees, to provide information on the allocation of site security costs. Reclamation's regional and area offices have consistently provided relevant information to customers at the local level on this subject. There have also been numerous presentations to customer organizations in 2005 and 2006. Briefings have been held with the National Water Resources Association, the Family Farm Alliance, the Sacramento Municipal Utility District, Central Valley Project Water Association and the Colorado River Energy Distributors Association. The Office of Inspector General has twice reviewed Reclamation's site security program (June 2002, and December 2005) and found that sensible budget and accounting practices as well as appropriate financial oversight for security measures are in place. The 2005 report found that Reclamation has properly accounted for security and law enforcement expenditures. Two key issues for Reclamation are: 1) Assuring transparency and accountability to customers, while maintaining appropriate safeguards for secure facility information; and 2) Continuing to distribute security costs consistent with project O&M allocations. If confirmed, I will continue to work with water and power customers to ensure transparency, efficiency, and fairness in the payment of security costs for Reclamation facilities.

TULAROSA BASIN DESALINATION RESEARCH FACILITY

Question 62. Reclamation's budget indicates that it will complete construction of the Tularosa Basin desalination facility in FY 2007.

Has Reclamation developed an estimate of costs beyond FY 2007, for what it will take to operate and maintain that facility? Are you committed to providing Reclamation's full support to ensure that the facility is a premier research center? What do you think are the long-term possibilities for desalination to provide a substantial amount of water to meet future needs in the West? Will desalination help address long-term Colorado River water allocation issues?

Answer. Yes, construction of the Tularosa facility is slated for completion in early 2007. Reclamation is using estimated costs beyond FY 2007 in the preparation of the competitive solicitation for the operation and maintenance of the facility. We have described how we propose to make this a premier research center in the draft Business Plan that is undergoing Administration review. Desalination is one of the tools that will add to the existing quantity and reliability of water supplies in the West. Among Colorado River water users, ocean desalination as a new additional supply is viewed as among the more promising alternative for addressing future water needs, both for coastal communities and for inland communities through exchanges.

RESPONSES OF ROBERT W. JOHNSON TO QUESTIONS FROM SENATOR CANTWELL

YAKIMA BASIN STORAGE STUDY

Question 63. Since 2003, the Bureau of Reclamation has been engaged in the Yakima Basin Storage Study to identify potential water storage options in the Yakima Basin Watershed. I think this study is critical to identify additional water storage solutions along the Yakima River.

Can you commit to me that as Commissioner of the Bureau of Reclamation you will ensure that the study is completed in a way that does not prejudice one alternative over another?

Answer. Yes. If confirmed, I will ensure that Reclamation continues to perform the study in an objective and unprejudiced manner.

Question 64. It is clear that Congress and the State of Washington support completing the study. Multiple years of Congressional additions to appropriations legislation coupled with significant financial support from the State have funded the study's progress thus far. Can you commit to me that you will recommend that the funding needed to complete the study be included in future budget requests from the administration?

Answer. If confirmed, I am prepared to continue the study in an objective and unprejudiced manner. However, I cannot make any firm commitments regarding future budget requests. I can commit to giving full consideration to the needs of the study as we formulate the Reclamation budget.

ODESSA SUBAREA SPECIAL STUDY

Question 65. The Odessa Subarea Special Study is investigating the possibility of continuing development of the Columbia Basin Project to deliver project water to lands currently using groundwater in the Odessa Subarea in and near the authorized development of the Project.

Can you commit to me that as Commissioner of the Bureau of Reclamation you will ensure that the Odessa Subarea study is completed in a way that does not prejudice one alternative over another?

Answer. Yes. If confirmed, I would ensure that Reclamation continues to perform the study in an objective and unprejudiced manner.

SECURITY COSTS

Question 66. Many irrigators in my State have been concerned about the issue of security costs at Bureau Reclamation facilities like Grand Coulee Dam. Irrigators and the ratepayers of the Bonneville Power Administration feel the burden of increased security costs as they are passed to them by the Bureau of Reclamation.

Obviously, I am supportive of providing the appropriate level of security at critical pieces of federal infrastructure. However, these projects and their continued security represent a national interest. I believe security costs should be distributed equitably and not just by irrigators and ratepayers who represent just part of the benefit reaped from multipurpose projects like Grand Coulee Dam and other Bureau of Reclamation facilities.

Given your experience in dealing with these issues, what is your philosophy on the distribution of funding security costs at Bureau of Reclamation facilities?

Answer. I support the present policy that provides that appropriate costs of guards and patrols be treated as project O&M costs subject to reimbursement based

on project cost allocations, although I do hope to continue the dialogue with stakeholders about transparency and reliability regarding these costs.

Question 67. Would you be willing to examine the funding of security costs during your term as Commissioner?

Answer. This issue has been the subject of rigorous debate over the past couple of years. I think it is unlikely that there will be a significant change in the Administration's position. However, I am always open to dialogue and to creative approaches to solving problems. I would be willing to continue an appropriate dialogue with our customers regarding security costs.

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