AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

106TH CONGRESS, 2d Session | HOUSE OF REPRESENTATIVES | REPORT 106–633

LEWIS AND CLARK RURAL WATER SYSTEM ACT OF 2000

MAY 23, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 297]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 297) to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I—LEWIS AND CLARK RURAL WATER SYSTEM

SEC. 101. SHORT TITLE.

This title may be cited as the "Lewis and Clark Rural Water System Act of 2000".

SEC. 102. DEFINITIONS.

In this title:

(1) FEASIBILITY STUDY.—The term "feasibility study" means the study entitled "Feasibility Level Evaluation of a Missouri River Regional Water Supply for South Dakota, Iowa and Minnesota", dated September 1993, that includes a

79–006

water conservation plan, environmental report, and environmental enhancement component.

(2) INCREMENTAL COST.—The term "incremental cost" means the cost of the savings to the project were the city of Sioux Falls not to participate in the water supply system.

(3) MEMBER ENTITY.—The term "member entity" means a rural water system or municipality that meets the requirements for membership as defined by the Lewis and Clark Rural Water System, Inc. bylaws, dated September 6, 1990.

(4) PROJECT CONSTRUCTION BUDGET.—The term "project construction budget" means the description of the total amount of funds needed for the construction of the water supply project, as contained in the feasibility study.

(5) PUMPING AND INCIDENTAL OPERATIONAL REQUIREMENTS.—The term "pumping and incidental operational requirements" means all power requirements that are necessary for the operation of intake facilities, pumping stations, water treatment facilities, reservoirs, and pipelines up to the point of delivery of water by the water supply system to each member entity that distributes water at retail to individual users.

(6) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(7) WATER SUPPLY PROJECT.—

(A) IN GENERAL.—The term "water supply project" means the physical components of the Lewis and Clark Rural Water Project.

(B) INCLUSIONS.—The term "water supply project" includes—

(i) necessary pumping, treatment, and distribution facilities;

(ii) pipelines;

(iii) appurtenant buildings and property rights;

(iv) electrical power transmission and distribution facilities necessary for services to water systems facilities; and

(v) such other pipelines, pumping plants, and facilities as the Secretary considers necessary and appropriate to meet the water supply, economic, public health, and environment needs of the member entities (including water storage tanks, water lines, and other facilities for the member entities).

(8) WATER SUPPLY SYSTEM.—The term "water supply system" means the Lewis and Clark Rural Water System, Inc., a nonprofit corporation established and operated substantially in accordance with the feasibility study.

SEC. 103. FEDERAL ASSISTANCE FOR THE WATER SUPPLY SYSTEM.

(a) IN GENERAL.—The Secretary shall make grants to the water supply system for the planning and construction of the water supply project.

(b) SERVICE AREA.—The water supply system shall provide for the member entities safe and adequate municipal, rural, and industrial water supplies, mitigation of wetland areas, and water conservation in—

(1) Lake County, McCook County, Minnehaha County, Turner County, Lincoln County, Clay County, and Union County, in southeastern South Dakota;

(2) Rock County and Nobles County, in southwestern Minnesota; and

(3) Lyon County, Sioux County, Osceola County, O'Brien County, Dickinson County, and Clay County, in northwestern Iowa.

(c) AMOUNT OF GRANTS.—Grants made available under subsection (a) to the water supply system shall not exceed the amount of funds authorized under section 108.

(d) LIMITATION ON AVAILABILITY OF CONSTRUCTION FUNDS.—The Secretary shall not obligate funds for the construction of the water supply project until—

(1) the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) are met; and

(2) a final engineering report and a plan for a water conservation program are prepared and submitted to the Congress not less than 90 days before the commencement of construction of the water supply project.

SEC. 104. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation for fish and wildlife losses incurred as a result of the construction and operation of the water supply project shall be on an acre-for-acre basis, based on ecological equivalency, concurrent with project construction, as provided in the feasibility study.

SEC. 105. USE OF PICK-SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri Basin program, the Western Area Power Administration shall make available, at the firm power rate, the capacity and energy required to meet the pumping and incidental operational requirements of the water

supply project during the period beginning on May 1 and ending on October 31 of each year.

(b) QUALIFICATION TO USE PICK-SLOAN POWER.—For operation during the period beginning May 1 and ending October 31 of each year, for as long as the water supply system operates on a not-for-profit basis, the portions of the water supply project constructed with assistance under this title shall be eligible to receive firm power from the Pick-Sloan Missouri Basin program established by section 9 of the Act of December 22, 1944 (chapter 665; 58 Stat. 887), popularly known as the Flood Control Act of 1944.

SEC. 106. NO LIMITATION ON WATER PROJECTS IN STATES.

This title does not limit the authorization for water projects in the States of South Dakota, Iowa, and Minnesota under law in effect on or after the date of enactment of this Act.

SEC. 107. WATER RIGHTS.

Nothing in this title—

(1) invalidates or preempts State water law or an interstate compact governing water;

(2) alters the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempts or modifies any Federal or State law, or interstate compact, governing water quality or disposal; or

(4) confers on any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resource.

SEC. 108. COST SHARING.

(a) FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall provide funds equal to 80 percent of—

(A) the amount allocated in the total project construction budget for planning and construction of the water supply project under section 103; and

(B) such amounts as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after September 1, 1993.

(2) SIOUX FALLS.—The Secretary shall provide funds for the city of Sioux Falls, South Dakota, in an amount equal to 50 percent of the incremental cost to the city of participation in the project.

(b) NON-FEDERAL COST SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the non-Federal share of the costs allocated to the water supply system shall be 20 percent of the amounts described in subsection (a)(1).

(2) SIOUX FALLS.—The non-Federal cost-share for the city of Sioux Falls, South Dakota, shall be 50 percent of the incremental cost to the city of participation in the project.

SEC. 109. BUREAU OF RECLAMATION.

(a) AUTHORIZATION.—At the request of the water supply system, the Secretary may allow the Commissioner of Reclamation to provide project construction oversight to the water supply project for the service area of the water supply system described in section 103(b).

(b) PROJECT OVERSIGHT ADMINISTRATION.—The amount of funds used by the Commissioner of Reclamation for oversight described in subsection (a) shall not exceed the amount that is equal to 1 percent of the amount provided in the total project construction budget for the entire project construction period.

SEC. 110. PROJECT OWNERSHIP AND RESPONSIBILITY.

The water supply system shall retain title to all project facilities during and after construction, and shall be responsible for all operation, maintenance, repair, and rehabilitation costs of the project.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title $213,887,700, to remain available until expended.

Amend the title so as to read:

A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system.

PURPOSE OF THE BILL

The purpose of H.R. 297 is to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

The Lewis and Clark Rural Water System is designed to provide replacement or supplemental water supplies from the Missouri River to areas in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota serving about 180,000 people, of which approximately 150,000 reside in the Sioux Falls metropolitan area. The estimated cost of the project is $283 million in 1993 dollars, with a 10% State share and 10% local cost share based on a willingness to pay analysis. Sioux Falls will pay 50% of the incremental cost to its participation in the project. The water would be diverted from the Missouri river near Vermillion, South Dakota, treated and distributed through approximately 400 miles of piping with a series of storage reservoirs and pumping stations.

One of the reasons why many South Dakotans have proposed this $283 million project dates back to the development of the Pick-Sloan Program, and the loss of South Dakota farm land for downstream flood protection. South Dakota lost approximately 520,000 acres of land to flooding while downstream states have received protection for approximately 552,000 acres of land. In addition to downstream states benefitting from flood protection, South Dakota has been a recipient of flood protection from the Pick-Sloan program. This aspect of the Pick-Sloan program is referenced as an important part of their flood protection in the following manner on the State of South Dakota homepage (http://www.state.sd.us/deca/cultural/soc hist.htm):

> 1952—A major flood on the Missouri River proves the wisdom of the Pick-Sloan Act. Flood damage is severe in Pierre, with much of the town inundated. The flood causes damage all through South Dakota and in downstream states. The severity of the flood provided additional justification for construction of the Oahe Dam.

In addition to the flood protection benefits South Dakota has realized with the Pick-Sloan system, they have also received several other benefits including, low-cost federal power, recreation, fish and wildlife benefits and some municipal, rural, and industrial (MR&I) and irrigation benefits.

> In all, Congress has authorized $1.8 billion in Pick-Sloan water projects, with approximately $500 million for MR&I projects in South Dakota over the last 25 years.

Department of Interior, Bureau of Reclamation concerns

Although the Bureau of Reclamation participated in the planning and willingness to pay analyses and agreed with the need for a project to meet both supply and water quality needs, the Administration has opposed the legislation since the 103rd Congress due to the cost share, overall cost, the inclusion of Sioux Falls within the project, and the addition of two non-reclamation states for Bureau of Reclamation funding. At a Senate hearing on the Lewis and Clark Project, on May 27, 1999, then Assistant Secretary for Water and Science for the Department of Interior, Patricia Beneke, stated that:

> The Department's long-standing policy relative to non-Indian municipal and rural water system development is that non-Federal interests should repay 100 percent of allocated project construction costs at current interest rates, and that they pay 100 percent of operation and maintenance costs. In addition, urban areas like Sioux Falls should have a sufficient population base and economic resources to finance its own water system.

South Dakota water projects

In 1963 the Department of Interior submitted the Report on Financial Position, Missouri River Basin Project. The Report presented a financial plan to ensure the financial integrity of the Pick-Sloan Missouri Basin Project (P–SMBP) and reaffirmed the Ultimate Development Plan concept—i.e. that storage and pumping power facilities were built largely for the ultimate benefit of the irrigation projects, including those not yet built, but planned to be built at some later time. The report also recommended the reduction of the planned irrigation development by 1.3 million acres. In 1964 Congress adopted Public Law 88–442 (the Missouri River Basin Appropriation Act) which implemented the report's recommendations and also required that any individual P-SMBP projects that were not under construction as of June 30, 1964, be reauthorized before federal funds could be appropriated for project construction. Since adoption of Public Law 88–442, nine projects have been reauthorized, including three in South Dakota. The reauthorized projects in South Dakota are: 1. The Pollack-Herried Unit; 2. The Lake Andes-Wagner Unit; and 3. The Oahe Unit.

To date, 92 of the originally envisioned irrigation projects and facilities remain undeveloped. Of these, 16 projects are in South Dakota.

South Dakota reclamation projects authorized and built since 1944:

Project	Completed	Appropriations authorized	Cost share
Keyhole	1952	(1)	Repayment contract.
Rapid Valley (Pactola)	1956	(1)	Repayment contract.
Rapid Valley (Deerfield)	1947	(1)	Repayment contract.
Angostura	1949	(1)	Repayment contract.
Shadehill	1950	(1)	Repayment contract.
Oahe	(2)		
WEB	1991	$88,000,000	75% grant. 25% loan.

Project	Completed	Appropriations authorized	Cost share
Mid Dakota (34% complete)	Ongoing	137,000,000	85% grant. 15% loan.
Mni Wiconi	Ongoing	314,070,000	80% grant. 20% loan.
Total		$1,839,070,000	

[1] Authorized as part of Pick-Sloan Missouri Basin Program—not authorized individually—estimated total in excess of $1.3 billion as of 1994.

[2] Oahe Dam completed, Oahe irrigation was started, not finished, and is not anticipated to be finished.

In addition to the benefits that South Dakota has received under the Pick-Sloan Program, the federal government made payments to South Dakota residents at the time their lands were inundated by the Pick-Sloan reservoirs. The issue, however, has been revisited. Currently, there are financial compensation bills pending before Congress for South Dakota residents that lost land because of the construction of Pick-Sloan reservoirs.

Many of the inundated Pick-Sloan Project lands were tribal lands, thus several bills have been considered, and passed, regarding tribal compensation for these lands. On November 8, 1999, the Senate passed S. 964 which provides an additional $290 million as compensation to the Cheyenne River Sioux Tribe (CRST) of South Dakota for the acquisition by the United States of 104,492 acres of land of the Tribe for the Oahe Dam and Reservoir on the Missouri River. The CRST lands represent about 20% of the lands inundated for Pick-Sloan projects. The following is an excerpt from Senate Report 106–217.

> It was not until 1954 that the Congress enacted legislation to provide compensation to the Tribe in exchange for the acquisition of the Tribe's lands. In settlement negotiations prior to enactment of this legislation, the CRST requested some $23.5 million as a compensation for lands taken and rehabilitation of tribal standards of living. However, the legislation authorized the payment of only $10.6 million for damages, rehabilitation and administrative expenses related to the settlement, less than half of what the Tribe requested and documented. As a rough indicator of under-compensation to the Tribe, non-Indians received an average of $49.22 per acre for their agricultural lands, while the Tribe received only $21.49 per acre.

COMMITTEE ACTION

H.R. 297 was introduced on January 6, 1999, by Congressman John Thune (R–SD). H.R. 297 was referred to the Committee on Resources and within the Committee to the Subcommittee on Water and Power. On May 17, 2000, the Full Resources Committee met to consider the bill. The Subcommittee was discharged from further consideration of the measure by unanimous consent. Congressman John Doolittle (R–CA) offered an amendment in the nature of a substitute during the markup which included the following changes:

1. An assurance that the water supply system will retain title to all project facilities during and after construction, and

shall be responsible for all operation, maintenance, repair, and rehabilitation costs of the project.

2. A reduction of the federal authorization by $10,100,000 by eliminating the environmental enhancement component of the project.

3. Language that permits the water supply system, as long as it operates on a not-for-profit basis, to be eligible to receive firm power from the Pick-Sloan Missouri Basin Program.

4. An amendment to the title to read: "A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system.".

The Doolittle amendment was adopted by voice vote. The bill was then ordered reported, as amended, by voice vote to the House of Representatives.

SECTION-BY-SECTION ANALYSIS OF BILL AS REPORTED

Section 101. Short title

The short title of the bill is "The Lewis and Clark Rural Water System Act of 2000".

Section 102. Definitions

This Section provides definitions of terms used in the bill including: "Project Construction Budget", "Pumping and Incidental Operational Requirements", "Water Supply Project" and others.

Section 103. Federal assistance for the water supply system

This Section requires the Secretary of Interior to make grants to the water supply system for the planning and construction of the project and designates the counties to be included in the system. It further limits the use of funds until the requirements of the National Environmental Policy Act (NEPA) are met and a final engineering report and plan are submitted to Congress.

Section 104. Mitigation of fish and wildlife losses

This Section sets forth the criteria for mitigation fish and wildlife losses.

Section 105. Use of Pick-Sloan power

This Section sets forth the requirements for the Western Area Power Administration regarding the delivery of capacity and energy for the system. The Committee expects that the capacity and energy marketed by the Western Area Power Administration to the Lewis and Clark Rural Water System will be delivered through a preference power entity.

Section 106. No limitation on water project in states

This Section clarifies intent with regard to authorization of water projects in South Dakota, Iowa and Minnesota.

Section 107. Water rights

This Section clarifies that nothing in this Title is intended to affect existing water rights.

Section 108. Cost sharing

This Section sets forth the cost sharing requirements for the states and for the City of Sioux Falls, South Dakota.

Section 109. Bureau of Reclamation

This Section provides for the involvement of the Bureau of Reclamation in project construction oversight.

Section 110. Project ownership and responsibility

This Section makes clear that the water supply system is to retain title to all project facilities during and after construction and shall be responsible for all operation, maintenance, repair, and rehabilitation costs of the project.

The Committee does not intend for Section 110 of this bill to prohibit the Lewis and Clark Rural Water System (LCRWS) from qualifying for other forms of federal financial or technical assistance for which LCRWS would otherwise qualify, as LCRWS may pursue such assistance in carrying out its responsibilities once a given portion of the system is completed.

Section 111. Authorization of appropriations

This Section authorizes appropriations of $213,887,700.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article I, section 8 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. *Cost of Legislation.*—Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. *Congressional Budget Act.*—As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. *Government Reform Oversight Findings.*—Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Com-

mittee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. *Congressional Budget Office Cost Estimate.*—Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 19, 2000.

Hon. DON YOUNG,
Chairman, Committee on Resources,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 297, Lewis and Clark Rural Water System Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Rachel Applebaum.

Sincerely,

STEVEN LIEBERMAN
(For Dan L. Crippen, Director).

Enclosure.

H.R. 297—Lewis and Clark Rural Water System Act of 2000

Summary: H.R. 297 would authorize the appropriation of $214 million to the Department of the Interior (DOI) to make grants to the Lewis and Clark Rural Water System for the construction of a drinking water supply project. The Lewis and Clark Rural Water System is a group of cities and rural areas in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota. Assuming appropriation of the authorized amount, CBO estimates that implementing H.R. 297 would cost $60 million over the 2001–2005 period with the rest of the authorized spending coming after 2005.

Enactment of H.R. 297 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 297 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal year, in millions of dollars—				
	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION					
Authorization level	214	0	0	0	0
Estimated outlays	1	2	9	24	24

Basis of estimate: For purposes of this estimate, CBO assumes that the full amount of the authorization will be provided in fiscal

year 2001. Our estimate of the amounts needed over the 2001–2005 period to begin construction of this drinking water system is based on information from the local water system and historical spending rates for similar projects. Completion of this project is expected to take about 12 years.

Pay-as-you-go considerations: None.

Estimated impact on State, local, and tribal governments: H.R. 297 contains no intergovernmental mandates as defined in UMRA. The bill would require that the nonfederal share of project costs 20 percent, except for the incremental cost of participation in the project by the city of Sioux Falls. The city would be required to pay 50 percent of that cost. Any state or local governments choosing to participate in the project authorized by this bill would do so on a voluntary basis, and any costs that they might incur would be accepted by them on that basis.

Estimated impact on the private sector: This bill contains no new private-sector mandates as defined in UMRA.

Previous CBO estimate: On August 2, 1999, CBO transmitted a cost estimate for S. 233, the Lewis and Clark Rural Water System Act of 1999, as ordered reported by the Senate Committee on Energy and Natural Resources on July 28, 1999. S. 244 is very similar to H.R. 297; however, the Senate bill would authorize the appropriation of $224 million, which is $10 million more than the amount in the House bill.

Estimate prepared by: Federal costs: Rachel Applebaum; Impact on State, local, and tribal governments: Marjorie Miller; Impact on the private sector: Natalie Tawil.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104–4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

APPENDIX

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Washington, DC, May 22, 2000.

Hon. TOM BLILEY,
Chairman, Committee on Commerce, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR TOM: Thank you for your letter regarding your Committee's jurisdictional interest in H.R. 297, the Lewis and Clark Rural Water System Act.

I acknowledge your Committee's jurisdiction over certain sections of this legislation and appreciate your cooperation in moving the bill to the House floor expeditiously. I agree that your decision to forego further action on the bill will not prejudice the Commerce Committee with respect to its jurisdictional prerogatives on this or similar legislation, and will support your request for conferees on those provisions within the Committee on Commerce's jurisdiction should they be the subject of a House-Senate conference. I will also include a copy of your letter and this response in the Congressional Record when the legislation is considered by the House.

Thank you again for your cooperation.

Sincerely,

DON YOUNG, *Chairman.*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, May 22, 2000.

Hon. DON YOUNG,
Chairman, Committee on Resources, Longworth House Office Building, Washington, DC.

DEAR DON: I am writing with regard to H.R. 297, the Lewis and Clark Rural Water System Act. As you know, rule X of the Rules of the House of Representatives grant the Committee on Commerce jurisdiction over the generation and marketing of power, as well as public health and quarantine. Accordingly, legislation setting rates for electric power, as well as legislation amending or implementing the Safe Drinking Water Act fall within the Committee's jurisdiction.

Section 7 of H.R. 297 directs the Western Area Power Administration to make certain electric capacity available to the Lewis and Clark Rural Water System, and establishes a rate schedule by which such power is to be made available. Further, section 3 of the bill directs the Secretary of the Interior to provide grants for the Lewis and Clark Rural Water System, which falls within the definition of a "public water system" as defined by section 1401(a)(4)

of the Safe Drinking Water Act, and is subject to regulation under such Act. Finally, section 5(b) of the legislation requires the Lewis and Clark Rural Water System to establish "low consumption performance standards for all newly installed plumbing fixtures." Such fixtures are already regulated by the Environmental Protection Agency pursuant to authority granted by 1455 of the Safe Drinking Water Act and part B of title III of the Energy Policy and Conservation Act.

Because of the importance of this legislation, I recognize your desire to bring it before the House in an expeditious manner, and I will not exercise the Committee's right to a sequential referral. By agreeing to waive its consideration of the bill, however, the Committee on Commerce does not waive its jurisdiction over H.R. 297. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation. I ask for your commitment to support any request by the Commerce Committee for conferees on H.R. 297 or similar legislation.

I request that you include this letter and your response in your committee report on the bill and as part of the Record during consideration of the legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

TOM BLILEY, *Chairman.*

ADDITIONAL VIEWS

Contracts of all Federal government agencies contain specific labor standards. These standards are requirements of law and their fundamental purpose is to set forth minimum working standards on all Federal government construction work.

It is expected that the Bureau of Reclamation's performance requirements and any agreements made with the Lewis and Clark Rural Water Systems, Inc., for payment of the Federal share of project costs will provide for full compliance with all applicable laws and regulations, including the Davis-Bacon Act (40 U.S.C. § 276a), which requires weekly payment of laborers and mechanics at not less than the wage rates and fringe benefits determined by the Secretary of Labor to be prevailing in the area.

By requiring that workers on federal construction projects such as the Lewis and Clark Rural Water System are paid wages and provided benefits that are up to community standards, Davis-Bacon protects working families by ensuring payment of decent wages and providing for health insurance coverage.

It is my understanding that the procedures and rules of the Department of the Interior and the Bureau of Reclamation governing the funding and construction of Federal projects such as the Lewis and Clark Rural Water System will ensure that the provisions of the Davis-Bacon Act are applied and rigorously enforced.

GEORGE MILLER.

○