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SOUTHERN OREGON BUREAU OF RECLAMATION REPAYMENT ACT OF 2005

DECEMBER 8, 2005.—Ordered to be printed

Filed under authority of the order of the Senate of November 18, 2005

Mr. DOMENICI, from the Committee on Energy and Natural
Resources, submitted the following

R E P O R T

[To accompany S. 1760]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1760) to authorize early repayment of obligations to the Bureau of Reclamation within Rogue River Valley Irrigation District or within Medford Irrigation District, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE MEASURE

The purpose of S. 1760 is to authorize early repayment of obligations to the Bureau of Reclamation within the Rogue River Valley Irrigation District or within the Medford Irrigation District.

BACKGROUND AND NEED

Section 213 of the Reclamation Reform Act of 1982, 43 U.S.C. 390mm, (RRA) prohibits the early repayment of a water district's construction cost obligation unless the district's contract with the Bureau of Reclamation (Bureau or Reclamation) included an express provision allowing for such early repayment when the RRA was enacted. Moreover, the reporting requirements of the RRA inhibit a contractor's ability to access financial tools because lending institutions and public institutional investors, with no interest in the farming operation, are required to file RRA certification and reporting forms.

Of the three districts in Reclamation's Rogue River Project, only the Talent Irrigation District's contract with the Bureau contains an express provision allowing for early repayment. The remaining districts, the Rogue River Valley Irrigation District and the Medford Irrigation District, lack the necessary contractual provision.

S. 1760 would authorize the contractors in the Rogue River Valley and Medford Irrigation Districts to repay their capital obligations to the Bureau at an accelerated rate. The legislation does not change the amount of Reclamation project water the contractor may receive.

LEGISLATIVE HISTORY

S. 1760 was introduced by Senators Smith and Wyden on September 22, 2005, and referred to the Committee on Energy and Natural Resources. The Water and Power Subcommittee held a hearing on S. 1760 on October 6, 2005. At the business meeting on November 16, 2005, the Committee on Energy and Natural Resources ordered S. 1760 favorably reported, without amendment.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in an open business session on November 16, 2005, by unanimous voice vote of a quorum present, recommends that the Senate pass S. 1760.

SECTION-BY-SECTION ANALYSIS

Section 1 sets forth the short title.

Section 2 allows any landowner within the Rogue River Valley Irrigation District or the Medford Irrigation District to repay, at any time, the applicable project facility construction costs. Once the construction cost repayment obligation has been fully discharged, the relevant lands shall no longer be subject to the ownership and full-cost pricing limitations of Reclamation law.

Section 3 makes clear that nothing in the Act modifies any contractual rights or obligations between the individual water districts and the Federal Government. Additionally, nothing in the Act alters the relationship that may exist under Oregon State law between the individual water districts and their landowners.

Section 4 directs the Secretary of the Interior to provide certification, upon request, to landowners who have fully repaid the applicable project facility construction costs.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of this measure has been provided by the Congressional Budget Office.

DECEMBER 2, 2005.

Hon. PETE V. DOMENICI,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1760, the Southern Oregon Bureau of Reclamation Repayment Act of 2005.

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

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

S. 1760—Southern Oregon Bureau of Reclamation Repayment Act of 2005

Currently, the Rogue River Valley, Talent, and Medford Water Districts receive water from the Bureau of Reclamation's (BOR's) Rogue River Project, located in southern Oregon. Each district has a contract with BOR that specifies terms for repayment of the construction costs of facilities used to provide water to each district. Only the contract with the Talent Water District provides for early repayment of construction costs by landowners. Enacting S. 1760 would authorize any landowner within either the Rogue River Valley Irrigation District or the Medford Irrigation District to repay, at any time, the construction costs for federal water projects. CBO estimates that enacting S. 1760 would have no significant impact on offsetting receipts, and would not affect revenues.

Based on information from BOR, CBO estimates that implementing this bill would increase offsetting receipts (from the early repayment of construction costs) in 2006 by about \$70,000. As a result of the early repayment, the federal government would no longer receive payments of about \$4,000 each year through 2026.

S. 1760 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On November 29, 2005, CBO transmitted a cost estimate for H.R. 4195 as ordered reported by the House Committee on Resources on November 16, 2005. The two versions of the bills are identical, as are our cost estimates.

The CBO staff contact for this estimate is Susanne S. Mehlman. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 1760.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 1760.

EXECUTIVE COMMUNICATIONS

The testimony provided by the Department of the Interior at the Subcommittee hearing on S. 1760 follows:

STATEMENT OF WILLIAM E. RINNE,
DEPUTY COMMISSIONER OF THE BUREAU OF RECLAMATION,
DEPARTMENT OF THE INTERIOR

Madam Chairman, I am William E. Rinne, Deputy Commissioner of the Bureau of Reclamation. Thank you for the opportunity to testify in support of S. 1760, a bill to authorize early repayment of obligations to the Bureau of Reclamation within the Rogue River Valley Irrigation District or within the Medford Irrigation District.

I am pleased to present the Department's views in support of S. 1760. There are three districts in our Rogue River Project that are subject to the acreage limitation provisions of Federal reclamation law. Under section 213 of the Reclamation Reform Act of 1982 (RRA), early repayment of a district's construction costs is prohibited unless the district's repayment contract with Reclamation included a provision allowing for early repayment when the RRA was enacted.

One of the three districts in the Rogue River Project has such a provision (specifically, the contract with Talent Irrigation District). As a result, a landowner who may own land in Talent Irrigation District and one or both of the other two districts in the Rogue River Project and would like to payout early would find that early repayment is allowed in only one of the districts. We support S. 1760's approach to allow early repayment in all three districts within this particular project. This legislation would accomplish such by providing early repayment authority to landowners in the Rogue River Valley Irrigation District and the Medford Irrigation District. Early payout would accelerate the repayment of these project costs to the United States Treasury.

This concludes my written statement. I am pleased to answer any questions.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 1760, as ordered reported.