

104TH CONGRESS  
2D SESSION

# H. R. 3917

To require full cost pricing for irrigation water delivered by the Bureau of Reclamation from new projects under new long-term contracts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1996

Mr. MILLER of California (for himself, Mr. VENTO, Mr. HINCHEY, Mr. GEJDENSON, Mr. STUDDS, and Mr. OLVER) introduced the following bill; which was referred to the Committee on Resources

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## A BILL

To require full cost pricing for irrigation water delivered by the Bureau of Reclamation from new projects under new long-term contracts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress finds the following:

5 (1) Irrigation subsidies provided by the Federal  
6 Reclamation program originally served purpose of  
7 opening the American West to settlement and devel-  
8 opment.

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1           (2) The subsidies provided by the Federal Rec-  
2           lamation program have proved more generous than  
3           originally intended by the Congress, and only a  
4           small fraction of the taxpayers' investment in irriga-  
5           tion facilities has been or will ever be repaid.

6           (3) The purpose of settling the West has long  
7           been accomplished, and no longer requires regional  
8           taxpayer subsidization for irrigation projects.

9           (4) Current budget concerns make it impossible  
10          for the Congress to justify continued subsidies for ir-  
11          rigation water delivered from new Bureau of Rec-  
12          lamation projects.

13          (5) The Federal Reclamation program requires  
14          fundamental revision to reduce subsidies and ensure  
15          that taxpayers invest only in fiscally sound projects.

16 **SEC. 2. PRICING OF BUREAU OF RECLAMATION IRRIGA-**  
17 **TION WATER.**

18          (a) FULL COST PRICING FOR NEW CONTRACTS.—  
19          Any contract with a district entered into by the Secretary  
20          of the Interior after the enactment of this Act for the de-  
21          livery of irrigation water for a period in excess of one year  
22          from a new project or a new unit of an existing project  
23          shall provide for the delivery of such water at full cost  
24          as defined in section 202 of the Reclamation Reform Act  
25          of 1982 (43 U.S.C. 390bb). This section shall not apply

1 to the water delivery which has commenced prior to July  
2 25, 1996.

3 (b) INTEREST RATE.—The interest rate used in com-  
4 puting full cost under this Act shall be determined by the  
5 Secretary of the Treasury on the basis of the arithmetic  
6 average of—

7 (1) the computed average interest rate payable  
8 by the Treasury upon its outstanding marketable  
9 public obligations which are neither due nor callable  
10 for redemption for 15 years from the date of issu-  
11 ance; and

12 (2) the weighted average of market yields on all  
13 interest-bearing, marketable issues sold by the  
14 Treasury during the fiscal year preceding—

15 (A) the fiscal year in which the expendi-  
16 tures are made, or

17 (B) the date of enactment of this Act, for  
18 expenditures made after such date of enact-  
19 ment.

20 (c) EXEMPTION OF CERTAIN PROJECT UNITS.—  
21 Nothing in this Act shall be construed to affect the price  
22 of water from any project unit if the Secretary of the Inte-  
23 rior has entered into a repayment contract or a long-term  
24 water service contract before the enactment of this Act  
25 for delivery of water from such unit.

1 (d) TERMS DEFINED.—

2 (1) NEW PROJECT.—The term “new project”  
3 means a project the construction of which is com-  
4 pleted after the enactment of this Act.

5 (2) EXISTING PROJECT.—The term “existing  
6 project” means a project the construction of which  
7 was completed on or before the enactment of this  
8 Act.

9 (3) NEW UNIT.—The term “new unit of an ex-  
10 isting project” means a physically separate unit, the  
11 construction of which is completed after the enact-  
12 ment of this Act, of an existing project.

13 (4) OTHER TERMS.—Except as provided in  
14 paragraphs (1) through (3), the terms used in this  
15 Act shall have the same meaning as provided by sec-  
16 tion 202 of the Reclamation Reform Act of 1982 (43  
17 U.S.C. 390bb).

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