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SENATE

{ REPORT
{ 106-175

COLORADO RIVER BASIN SALINITY CONTROL ACT

OCTOBER 6, 1999.—Ordered to be printed

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

REPORT

[To accompany S. 1211]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1211) to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

On page 2, after line 8, insert the following:

“SEC. 2. REPORT.

“The Secretary of the Interior shall prepare a report on the status of implementation of the comprehensive program for minimizing salt contributions to the Colorado River from lands administered by the Bureau of Land Management directed by Sec. 203(b)(3) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1593). The report shall provide specific information on individual projects and funding allocation. The report shall be transmitted to the Committee on Energy and Natural Resources and the Committee on Resources of the House of Representatives no later than June 30, 2000.”

PURPOSE OF THE MEASURE

The purpose of S. 1211 is to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner.

BACKGROUND AND NEED

The Colorado River provides municipal and industrial water for more than 18 million people in seven States; it also provides irrigation water for about 2 million acres of land. Yet the salinity, or salt content, of the river is high, in large part because of natural features such as underlying salt formations and saline springs. Agriculture is also a large contributor of salt to the river, as irrigation water seeps through saline soils and returns to the river. Salinity in the Colorado River corrodes water pipes and damages crops.

The 1944 Mexico Treaty obligates the United States to provide 1.5 million acre feet of water to Mexico, but does not address quality. Mexico filed a formal protest in the 1960's when salinity increased sharply. Several minutes to the Treaty were negotiated, the final one being Minute 242. The most important provision requires that the average annual salinity of the Colorado delivered upstream from Morelos Dam (Mexico's principal diversion dam) would not exceed the average salinity of the water arriving at Imperial Dam by more than 115 parts per million, plus or minus 30 ppm.

To address salinity problems, and ensure the United States could meet its obligation to Mexico, the Congress passed the Colorado River Basin Salinity Control Act of 1974. Title I addressed the Mexican obligation by authorizing the Yuma Desalting Plant, the Wellton-Mohawk Irrigation drainage reduction program, concrete lining of the Coachella Canal in California (allowing the United States to use the conserved water to replace drainage water bypassed to Mexico), and a well field in Arizona known as the Protective and Regulatory Pumping Unit. Title II of the Act authorized the Secretary of the interior to construct several salinity control projects, most of which are located in Colorado, Utah, and Wyoming. Amendments to the Act in 1984 authorized additional projects for the Bureau and authorized projects by the Bureau of Land Management and the Department of Agriculture. In addition, under the Clean Water Act, the EPA approved standards established by the states for salinity levels for the river water.

In March 1993, the Inspector General issued an audit report on the salinity control program and made several recommendations. One recommendation was that the Bureau of Land Management become more aggressive in its actions, especially since BLM actions seemed to be most cost-effective. The report noted that BLM estimated that its lands contributed about 700,000 tons of salt annually and that measures to control this salt loading would be in the rate of \$35-\$60 per ton, but that plans were designed only to remove 50,000 tons by the year 2010. The estimate for the Grand Valley project, by comparison, is \$147-\$386 per ton.

S. 1211 would authorize additional measures to carry out the control of the Colorado River's salinity, upstream of Imperial Dam. The bill amends the Act to reauthorize the funding of the competitive Basin-wide program for salinity and increases the authorization from \$75 million to \$175 million. Bill sponsors believe the increase is essential to maintaining Colorado River water quality standards for salinity adopted by the seven Colorado River Basin states and approved by the EPA. Maintenance of the standards would avoid costly salinity damage.

LEGISLATIVE HISTORY

S. 1211 was introduced by Senator Bennett on June 10, 1999 and a Subcommittee hearing was held on July 28, 1999. At the business meeting on September 22, 1999, the Committee on Energy and Natural Resources ordered S. 1211, as amended, favorably reported.

COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on September 22, 1999, by a unanimous vote of a quorum present, recommends that the Senate pass S. 1211, if amended as described herein.

COMMITTEE AMENDMENTS

During the consideration of S. 1211, the Committee adopted an amendment that requires the Secretary of the Interior to prepare a report on activities to minimize salt contributions to the Colorado River from BLM lands. BLM was required to develop a comprehensive plan for such activities by 1987, pursuant to the Colorado River Basin Salinity Control Act.

SUMMARY OF THE MEASURE

As reported, S. 1211 amends the Colorado River Basin Salinity Control Act to reauthorize and increase funding for competitive basin-wide programs to address salinity of the Colorado River upstream of Imperial Dam. The measure also requires the Secretary of the Interior to prepare a report on activities on BLM lands.

COST AND BUDGETARY CONSIDERATIONS

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 5, 1999.

Hon. FRANK H. MURKOWSKI,
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. 1211, a bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Grabowicz (for federal costs), and Marjorie Miller (for the state and local impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 1211—A bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner

Summary: S. 1211 would authorize the appropriation of \$175 million for a program to control the salinity of the Colorado River upstream of the Imperial Dam. Under current law the Congress has authorized the appropriation of \$75 million for this activity. The bill would direct the Secretary of the Interior to prepare a report by June 30, 2000, on the status of the comprehensive program for minimizing salt contributions to the Colorado River.

Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 1211 would result in additional discretionary spending of about \$6 million over the 2000–2004 period. Enacting this legislation would not affect direct spending or receipts, so pay-as-you-go procedures would not apply. S. 1211 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1211 is shown in the following table. Of the \$75 million authorized under current law about \$36 million has been appropriated through fiscal year 2000. Assuming that annual appropriations for this program continue near the 2000 level of \$12 million, as anticipated by the Department of the Interior, the balance of the \$75 million authorization would not be exceeded until fiscal year 2000. Thus, CBO estimates that the additional \$10 million authorized by S. 1211 would be appropriated in 2004 and in the following years. We estimate that the report required by the bill would cost less than \$500,000 in fiscal year 2000. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By fiscal years, in millions of dollars—				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
Spending Under Current Law:					
Budget Authority/Estimated Authorization Level ¹	12	12	12	12	2
Estimated Outlays	12	12	12	12	6
Proposed Changes:					
Estimated Authorization Level	(²)	0	0	0	10
Estimated Outlays	(²)	0	0	0	6
Spending under S. 1211:					
Estimated Authorization Level ¹	12	12	12	12	12
Estimated Outlays	12	12	12	12	12

¹The 2000 level is the amount appropriated in the Colorado River salinity control program for that year. The estimated levels for fiscal years 2001 through 2004 represent the use of the remaining authorization under current law.

²Less than \$500,000.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 1211 contains no intergovernmental or private-sector mandates as defined in UMRA. State and local governments might incur some costs to match the federal funds authorized by this bill, but these costs would be voluntary.

Estimate prepared by: Federal costs: Mark Grabowicz. Impact on State, local, and tribal governments: Marjorie Miller.

Estimate 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. 1211. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic 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. 1211, as ordered reported.

EXECUTIVE COMMUNICATIONS

On July 19, 1999, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on S. 1211. These reports had not been received at the time the report on S. 1211 was filed. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Department of the Interior at the Subcommittee hearing follows:

STATEMENT OF STEVEN RICHARDSON, CHIEF OF STAFF, U.S. BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR

I am Steve Richardson, Chief of Staff of the U.S. Bureau of Reclamation. I appreciate the opportunity to provide the Administration's views on S. 1211, the Colorado River Basin Salinity Control Reauthorization Act.

In 1995, Congress established a pilot program authorizing the Bureau of Reclamation (Reclamation) to award up to \$75 million in grants, on a competitive-bid basis, for salinity control projects in the Colorado River Basin. The private sector and state and local governments responded promptly; the first project awards were made in 1997. Cost savings under this pilot program have far exceeded expectations—down to an average of \$27 per ton of salt control, from the previous average of \$76 per ton. S. 1211 would reauthorize this program and raise the authorization ceiling to \$175 million, allowing this innovative and cost-effective program to continue for several years.

The Department supports S. 1211, although we encourage Congress to consider increasing the local cost-share to reflect the significant local benefits created by this program. Reducing the salinity of the Colorado River as it moves downstream remains one of the most important challenges facing the Bureau of Reclamation. The Colorado River provides water for more than 23 million people and irrigation for more than 4 million acres of land in the

United States, as well as water for about 2.3 million people and 500,000 irrigated acres in the Republic of Mexico. Yet, the upper part of the river runs through a saline-soaked landscape of badlands and saline springs. As it moves downstream, the river picks up over 9 million tons of salt. Salinity damages in the United States portion of the Colorado River Basin range between \$500 million to \$750 million per year and could exceed \$1.5 billion per year if future increases are not controlled.

Under the 1995 pilot program, new salinity control projects in the basin are built, owned, operated, and maintained by private, local, or state entities. Reclamation has now completed four rounds of public solicitations (requests for proposals), ranked the proposals based on their cost and performance risk factors, and awarded funds to the most highly ranked projects.

One of the greatest advantages of this program comes from the integration of Reclamation's program with the U.S. Department of Agriculture's (USDA) program. Water conservation within irrigation projects on saline soils is the single most effective salinity control measure found in the past 30 years of investigations. By integrating the USDA's on-farm irrigation improvements with Reclamation's off-farm improvements, extremely high efficiencies can be obtained. For example, if the landscape permits, pressure from piped delivery systems (laterals) may be used to drive sprinkler irrigation systems at efficiency rates far better than those normally obtained by flood systems. In addition, this program allows Reclamation much greater flexibility (in both timing and funding) to work with the USDA to develop these types of projects.

This program also allows Reclamation to take advantage of opportunities that are time sensitive. Cost sharing partners (states and federal agencies) often have funds available at very specific times. Under the old method of planning, authorization, funding, and construction, it would often take decades for Reclamation to be ready to proceed with a project. None of Reclamation's past projects were able to attract cost sharing because of this. For example, the Ashley Project (a joint effort by the state of Utah, the Environmental Protection Agency (EPA), and Reclamation) will eliminate 9,000 tons per year of salt. Reclamation's salinity program is a relatively minor but important part of the Ashley Project (\$3 million in an \$18 million project). Once Reclamation had committed to fund its part of the project, funds were included in the EPA's budget by Congress to complete its role in the partnership.

Another significant advantage of the program is that projects are "owned" by the proponent, not Reclamation. The proponent is responsible to perform on their proposal. Costs paid by Reclamation are controlled and limited by agreement. If unforeseen cost overruns do occur, the proponent has several options: (1) the project may be terminated; (2) the proponent may choose to cover the overruns with their own funds; (3) the proponent may borrow funds

from state programs; or, (4) the proponent may choose to reformulate the project costs and re-compete the project through the entire award process in the next round.

As an example of the flexibility of the program, pipeline bedding and materials costs for the Ferron Project were underestimated in the proposal and subsequent construction cooperative agreement. As such, the proponent was denied permission to award materials contracts for the pipeline since the costs were beyond those contained in the agreement. After months of negotiations and analysis, the proponents chose to terminate the project, reformulate it, and re-compete against other proposals the following year. Their project was found to be competitive at the reformulated cost and was able to proceed.

In 1999, Reclamation received nearly a dozen new proposals which are working their way through the evaluation process. An increase in the authorized funding ceiling is needed to be able to continue the bid solicitation process so that future projects can be scheduled, permitted, designed, and constructed to meet the annual goals of the program over the next decade.

We would like to note that a change in cost-sharing might be warranted for this program, and urge the Committee to consider changing the cost share for the Colorado River Basin Salinity Control Program to be consistent with similar federal programs like the Environmental Protection Agency's Section 319. The Section 319 program, which like this program provides cost-shared grants for non-point pollution control, requires a 40% non-Federal cost share as a reflection of the substantial benefits that grant recipients receive.

Mr. Chairman, the Bureau of Reclamation is an enthusiastic participant in this excellent and innovative program. We are pleased to support S. 1211.

This concludes my testimony. I would be glad to answer any questions.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill S. 1211, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Public Law 104-20, 109 Stat. 255, 256

* * * * *

(c) In addition to the amounts authorized to be appropriated under subsection (b) of this section, there are authorized to be appropriated **[\$75,000,000 for subsection 202(a)]** *\$175,000,000 for section 202(a)*, including constructing the works described in **[paragraph 202(a)(6)]** *paragraph (6) of section 202(a)* and carrying out the measures described in such paragraph. Notwithstanding subsection (b), the Secretary may implement the program under **[para-**

graph 202(a)(6)] *section 202(a)(6)* only to the extent and in such amounts as are provided in advance in appropriations Acts.

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