

**STATEMENT OF THOMAS ISEMAN
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DEPARTMENT OF THE INTERIOR
BEFORE THE
SENATE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
ON THE 2017 PRESIDENT'S BUDGET REQUEST
MARCH 2, 2016**

Chairman Alexander, Ranking Member Feinstein, and members of the Subcommittee, I am Tom Iseman, Interior's Deputy Assistant Secretary for Water and Science, and I appreciate the opportunity to talk with you about the water related programs of the Department of the Interior, and the President's 2017 Budget. My office oversees the Bureau of Reclamation and U.S. Geological Survey activities.

This is a strong budget that builds on our accomplishments. Our request enables us to carry out our important missions – maintain our core capabilities, meet commitments, and invest in key priorities. The investments in this request show the Administration remains focused on meeting the Nation's greatest challenges looking forward and ensuring our economy works for all.

Our budget is part of the President's broader strategy to make critical investments in domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and lifts sequestration in future years to continue investment in the future. This Budget recognizes the importance of the programs of Reclamation and the USGS to the overall strength of the Nation's economy, and its infrastructure. To put this into perspective, the U.S. Department of the Interior Economic Report for FY 2014 states, Interior-managed lands and activities contributed about \$360 billion in national economic output, supporting an estimated two million jobs. Of this, Reclamation's contribution, including recreation activities, was \$48.4 billion, supporting over 360,000 jobs.

At the same time, the Department of the Interior's 2017 proposed investments lay the groundwork for promoting renewable energy development, wise water utilization, managing the Nation's lands responsibly, helping to protect communities in the face of climate change, and investing in science to inform natural resource management. This request addresses significant resource challenges for the Nation, including water availability, particularly in the arid West, and makes important investments in America's water infrastructure.

Interior's 2017 budget includes \$1.0 billion for research and development activities throughout the Department, an increase of \$84.5 million from the 2016 enacted level. Activities supported include scientific analysis of natural systems and applied field research to address specific problems, such as thawing permafrost, invasive species, and flooding. With multiple science programs across the Department's bureaus and offices, science coordination remains a critical component in the process of effective science application. Interior is well served by the deployment of science advisors in each bureau. These advisors serve critical roles within the organizations and across the Department by sharing information concerning new research efforts, identifying and evaluating emerging science needs, and ensuring effective science delivery and

application. The Interior 2017 budget reflects high priority needs identified for scientific research across the Department, which is the foundation for the \$28.6 million requested for research and development for Reclamation. This request supports the Administration's efforts to collaborate with non-Federal partners on advanced water treatment and clean water technologies while conserving scarce Western water and protecting species habitat.

The 2017 Budget Advances a Record of Achievement

This budget builds on a record of achievement across Interior's diverse mission in general, as well as within Reclamation's specific mission. To support the Powering Our Future Initiative, the 2017 Reclamation budget includes \$1.3 million to implement an automated data collection and archival system to aid in hydropower benchmarking, performance testing, and strategic decision-making; investigate Reclamation's capability to integrate large amounts of renewable resources such as wind and solar into the electric grid; and work with Tribes to assist in developing renewable energy sources. These important projects will assist in the production of cleaner, more efficient renewable energy.

In addition, the 2017 budget sustains President Obama's strong commitment to tribal self-determination, strengthening tribal nations, and investing in the future of Native youth, as illustrated by Reclamation's continuing investment in endangered species recovery, rural water, and water rights settlement programs. In fact, the Department's overall budget continues to address Indian water rights settlement commitments and programs to support Tribes in resolving water rights claims, developing water sharing agreements, and supporting sustainable water management.

Interior continues to engage in innovative efforts to leverage youth engagement and partnerships to advance the Department's extraordinary mission, and Reclamation is a contributor to this effort.

Bureau of Reclamation projects funded from 2010 through 2015 exceeded the cumulative water savings target of 910,000 acre-feet of water/year, achieving savings of over 970,000 acre-feet, roughly the amount of water needed for household use in Phoenix and the surrounding area each year. The budget keeps Reclamation on track to conserve 1,040,000 acre-feet by the end of Fiscal Year 2017.

Promotes the Conservation and Protection of America's Natural and Cultural Resources

America's public lands and waters offer space to get outside and get active, and provide living classrooms with hands-on opportunities to build skills. The Administration launched the *Every Kid in a Park* Initiative to inspire the next generation to discover all America's public lands and waters have to offer. Starting with the 2015-2016 school year, all fourth grade students and their families are able to receive free admission to all national parks and other Federal lands for a full year. Reclamation's mission goals of securing America's energy resources and managing water in a sustainable manner for the 21st Century demands a focus on the protection and restoration of the aquatic and riparian environments influenced by its operations. Ecosystem restoration involves many activities, including Reclamation's Endangered Species Act recovery programs,

which directly address the environmental aspects of Reclamation's mission. In 2017, a total of \$135.5 million in Reclamation's budget directly supports the goals of America's Great Outdoors Initiatives, through local and basin-wide collaboration in watershed partnerships. This supports efforts to manage and promote the health and resilience of ecosystems on a landscape scale, including a continued focus in priority landscapes such as the California Bay-Delta.

Implements the President's Climate Action Plan

As manager of roughly 20 percent of the land area of the United States and a partner with tribal, Federal, State, local, and territorial government land managers, the Interior Department works to address the challenges of natural hazards brought on by a changing climate as an integral part of its mission. The budget includes funding to improve the resilience of communities and ecosystems to changing stressors, including flooding, severe storm events, and drought as part of the Administration's effort to better understand and prepare for the impacts of a changing climate.

Healthy communities require secure, sustainable water supplies. This is particularly challenging with record drought conditions and increasing demand taxing watersheds throughout the country, especially in the arid West. To help increase the security and sustainability of Western watersheds, the budget continues investment in the Department's WaterSMART program to promote water reuse, recycling, and conservation, in partnership with States, Tribes, and other partners. Funding is also included for research, development, and challenge competitions to find longer term solutions through new water technologies. The budget invests in the Nation's water infrastructure to ensure millions of customers receive the water and power that are the foundation of a healthy economy.

Improves Oversight and Use of Federal Dollars

Interior has several multi-year efforts underway to reduce its nationwide facilities footprint, and improve the efficiency and effectiveness of its information technology infrastructure and financial reporting capabilities. Funding for these specific efforts is included in the Department's budget request. Reclamation is participating in these efficiency endeavors, as well as improving reporting and increasing data quality and transparency, as envisioned in the DATA Act. Reclamation is also implementing the Federal Information Technology Acquisition Reform Act, to improve standardization of information technology investments by strengthening the role of the Department's Chief Information Officer in strategic planning, budget formulation and execution, and acquisition of information management and technology activities.

Natural Resource Investment Center

The Department has established a Natural Resource Investment Center to spur partnerships with the private sector to develop creative financing opportunities that support economic development goals while advancing the Department's resource stewardship mission.

The Center will use market-based tools and innovative public-private collaborations to increase investment in water conservation and critical water infrastructure, as well as promote

investments that conserve important habitat in a manner that advances efficient permitting and meaningful landscape-level conservation. The Center will work closely with the private sector and others to identify innovative ideas and financing options for projects that conserve scarce Western water resources and protect species habitat.

Reclamation Highlights

The 2017 budget for Reclamation and the Central Utah Project Completion Act (CUPCA) totals \$1.1 billion and focuses on investments in Indian water rights settlements, ecosystem restoration, healthy watersheds and sustainable, secure water supplies.

Funding for Water and Related Resources shows a reduction of \$305.6 million from 2016, reflecting the shift of \$106.2 million to the requested new Indian Water Rights Settlements account and \$36.0 million for a separate discretionary account within the San Joaquin River Restoration Fund.

Reclamation requests establishment of an Indian Water Rights Settlements account in 2017 to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling these funds. The budget includes \$12.8 million to implement the Crow Tribe Rights Settlement Act, \$6.4 million for the Aamodt Litigation Settlement Act, and \$87.0 million for the Navajo-Gallup Water Supply Project

The extreme and prolonged drought facing the western States affects major U.S. river basins in virtually every western State. The effects of the current drought on California water, its agrarian economy, and its communities are particularly acute. According to the Economic Analysis of the 2015 Drought for California Agriculture by California Department of Food and Agriculture, University of California-Davis and California Department of Water Resources, the estimated cost of the 2015 drought on California agriculture-crop production, livestock, and dairies is \$2.7 billion with a total loss of 21,000 seasonal and part-time jobs. The Colorado River Basin—crucial for seven States and several Tribes, in addition to two countries—is also enduring historic drought. Nearly 40 million people rely on the Colorado River and its tributaries for some, if not all, of their municipal needs. The Basin is experiencing the worst drought in recorded history; the period of 2000-2015 was the driest 16-year period in more than 100 years of record keeping.

WaterSMART, Water Conservation Field Services and Title XVI Programs

Reclamation's WaterSMART program, requested at \$61.5 million, is helping to address the drought and other water supply issues across the West. WaterSMART Grants, Water Conservation Field Services, and Title XVI Programs, along with other Reclamation activities are enabling the West to better adapt to the impacts of a changing environment by helping to conserve tens of thousands of acre-feet of water each year in urban and rural settings, and on both large and small scales. The Drought Response Program will implement a comprehensive new approach to drought planning and will implement actions to help communities manage drought and develop long-term resilience strategies. Reclamation continues to promote research and development through its Science and Technology and Desalination and Water Purification Research Programs to produce new clean water technologies, reduce costs, and decrease

environmental impacts while converting unusable water into viable water supplies. The 2017 budget includes \$8.5 million for an X-Prize competition to encourage innovative water purification and treatment technologies.

WaterSMART enables the USGS and Reclamation to make focused and leveraged investments to address water resource challenges. The USGS budget provides an increase of \$18.4 million for science to support sustainable water management, nearly doubling the investment made in 2016. As climate models forecast increasingly frequent and more intense droughts, improving water management science is a paramount concern for land and water management agencies, States, local governments, and Tribes. The USGS budget would improve water use information and research, provide grants to State water resource agencies, and create hydrologic models and databases for better decision support. The USGS budget also includes \$3.9 million for drought science and \$4.0 million to develop methods to assess regional and national water use trends during drought.

Central Utah Project Completion Act

The Central Utah Project Completion Act, or CUPCA, Office is a Department of the Interior program that reports directly to the Office of Water and Science. The FY 2017 Budget proposes \$5.6 million, a reduction of \$4.4 million from 2016 enacted, and includes \$1.3 million to be transferred to the Utah Reclamation Mitigation and Conservation Commission. The 2017 reduction in construction funding is the result of difficult choices necessitated by the constrained fiscal environment. The Budget provides funding through the CUPCA office to continue the partnership with the Central Utah Water Conservancy District in completing the Spanish Fork Canyon-Provo Reservoir Pipeline (Northern Pipeline) of the Utah Lake System delivering 30,000 acre-feet of water to Salt Lake County; required program oversight activities; and endangered species recovery program implementation.

Conclusion

Thank you for the opportunity to testify on the President's 2017 budget request for the Bureau of Reclamation and CUPCA. This budget is responsible, and proposes to maintain core capabilities with targeted investments to advance water conservation and the stewardship of water resources. I thank you again for your continued support of our mission. I look forward to answering questions about this budget. This concludes my statement.