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Subcommittee on Water and Power
Statement for the Record
H.R. ____ Accelerated Revenue and Repayment Act
June 6, 2012

H.R. ____ the Accelerated Revenue and Repayment Act, in theory, has some practical implications that could be of benefit to the taxpayer through the early repayment of debt associated with Bureau of Reclamation Projects. Currently, the Bureau of Reclamation (Reclamation) must be given the authority to accept lump sum, early repayment of debt unless authorized by Congress. H.R. ____ would provide Reclamation the authority to administratively do so, under specific terms. We welcome the opportunity to discuss the concept of early repayment, and see both positive aspects to the legislation as well as provisions that require more vetting and information.

The Majority has indicated that the model for this legislation is the San Joaquin River Settlement Act (Settlement), legislation originally introduced by former Subcommittee Chairman George Radanovich (R-CA). As part of the Settlement and legislation, the Friant Water Authority (Water Authority) prepaid the federal debt associated with their water project to fund part of the restoration of the San Joaquin River and to provide for more water rights certainty.

The Settlement was also heavily vetted over several Congresses which determined that prepayment of the project was to both the benefit of the taxpayer through the river restoration, and to Water Authority through water certainty. What H.R. ____ lacks is the ability to determine whether or not the policies set forth in the legislation are to the clear benefit of the taxpayer since it allows for these prepayments without Congressional oversight.

We also need more information to better understand the federal debt associated with water projects. For instance:

- What is the remaining balance of capital costs associated with water service contracts Westwide?
- What is the remaining balance of capital costs associated with water service contracts in California (CVP contracts)?
- What is the expected revenue stream to the U.S. Treasury from conversion of all water service contracts under the formula outlined in the bill versus the status quo?
- What is the expected revenue stream to the U.S. Treasury from conversion of all CVP water service contracts under the formula outlined in the bill versus the status quo?
- What are the policy implications of prepayment in regards to water rights contracts?

As stewards for this nation, we must ensure that the intent of H.R. _____ demonstrates in the short and long term what is in the best interest of the United States. We may not agree on all water policy, but we look forward to our continued dialogue on this legislation.