

**Complete Statement of Charles V. Stern
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Before the Committee on Energy and Natural Resources
Subcommittee on Water and Power
United States Senate
Hearing to Consider Pending Legislation
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Chairman Schatz, Ranking Member Lee, and members of the subcommittee, my name is Charles Stern. I am a Specialist in Natural Resources Policy at the Congressional Research Service (CRS). Thank you for inviting CRS to testify on S. 1800, The Bureau of Reclamation Transparency Act.

In brief, this legislation would require that the Bureau of Reclamation's (Reclamation) asset management reporting be expanded to include several new components. Specifically, it would require that Reclamation annually report to Congress estimated costs for repair needs and a categorical rating for major repair and rehabilitation needs of Reclamation's facilities. Reclamation currently makes some information available on its infrastructure management activities; the proposed new requirements are directed to be incorporated into those processes.

In serving the U.S. Congress on a non-partisan and objective basis, CRS takes no position on this legislation but has been asked by the Subcommittee to provide background and analysis of the legislation's potential effects. The statements presented in this testimony are based on an analysis of the legislation within the time available. CRS remains available to assist the Subcommittee in its consideration of this legislation, related issues, and potential concerns among affected stakeholders.

Overview of Reclamation's Infrastructure Management and Reporting

The Bureau of Reclamation is one of the two principal agencies charged with constructing and maintaining the federal government's largest investments in water infrastructure, the other being the U.S. Army Corps of Engineers. Other agencies and federal entities have played roles in water resource development. S. 1800's requirements would apply only to the Bureau of Reclamation; thus it is the focus of my testimony.

The Bureau of Reclamation's assets are concentrated in the 17 western states and include dams, canals, pipelines, hydropower facilities, and related infrastructure. Some of these facilities were constructed as far back as Reclamation's original authorization in 1902, and most of them are more than 60 years old. In previous hearings (including those before this committee), concerns have been raised about the perceived deterioration of Reclamation's infrastructure and the information (or lack thereof) on these conditions. In short, S. 1800 would require that Reclamation make available to Congress and the public additional information about the condition and estimated cost of repairing Reclamation-owned infrastructure.

Two important considerations frame my remarks on S. 1800: First, a broad discussion of the distribution of management responsibilities across different types of Reclamation facilities. Second, Reclamation's current process for reporting on repair and rehabilitation needs of these facilities. I will briefly discuss each of these things before moving on to discuss the bill itself.

First, I will discuss distribution of management responsibilities. As stated above, the majority of Reclamation's water resources facilities are more than 60 years old, and a system of shared responsibilities to plan, construct, finance, operate, maintain, and repair this infrastructure has emerged over time. Reclamation is unique among federal water resource agencies in that it does not manage much of the infrastructure that it owns. In fact, about two-thirds of the infrastructure owned by Reclamation has been transferred to local project sponsors for operations and maintenance. While Reclamation technically owns these assets (which are referred to as "transferred works"), it is not responsible for day to day maintenance at the projects. The bureau conducts periodic maintenance reviews at transferred works through its Associated Facilities Review of Operations and Maintenance Examinations program. However, the results of these examinations are typically not made public.

Separately, "reserved works" are the other major type of infrastructure that is owned and operated by Reclamation and this classification makes up the remainder of the bureau's assets. Most of these

projects entail large, multipurpose assets that are owned and operated by Reclamation, and Reclamation's process of overseeing their operations and maintenance is generally more involved than that used for transferred works. Reclamation operates a Facility Maintenance and Rehabilitation Program that identifies, schedules and prioritizes the needs of its reserved works, but again, the results of these reviews are typically not made public.

The patchwork management structure of Reclamation facilities makes reporting on needed upgrades for these assets complicated. In recent years Reclamation has undertaken efforts to improve this reporting. These efforts have included, among other things, a major review of its infrastructure management that concluded in 2008, as well as annual asset management reports. The 2008 review was conducted in response to a 2006 National Research Council Report and resulted in a number of changes to Reclamation's infrastructure management. The annual asset management reports have provided a high-level summary of Reclamation's infrastructure management efforts, including discussion of how the bureau tracks and plans for management activities, aggregated estimates of maintenance requirements at regional and national levels, and some of the policy tools available to address these issues.

Reports and public documents issued by Reclamation generally have not included a list of facility-specific repair needs and associated estimates. However, Reclamation has estimated as recently as 2012 that costs for needed repairs and upgrades throughout the West were approximately \$2.5 (although project level estimates that make up this total are not readily available). As I noted in my July 2013 testimony before this committee, some agencies, such as the Environmental Protection Agency and the Department of Transportation, publish "needs assessments" that include project level estimates for needed repairs and upgrades, although it should be noted that these agencies and the infrastructure they service are different than Reclamation. In any case, the availability of estimates for individual Reclamation facilities varies, and are generally not compiled or regularly updated in a centralized, public report.

Similarly, to varying degrees, Reclamation also reports its efforts to categorize the conditions of these facilities. Reclamation internally tracks and rates the condition of its dams and also utilizes a “Facility Reliability Rating” to categorize the condition of reserved works. Reclamation has in recent years also undertaken a program to categorize the condition of urban canals that may be vulnerable to full or partial failure. However, this information is not standardized or available across Reclamation’s infrastructure types, nor is it regularly reported on.

CRS Analysis of S. 1800

S. 1800 would make several changes to Reclamation’s existing reporting process. It would authorize Reclamation to complete an asset management report, presumably similar to the existing report (which has to date been produced under general authorities). This report would be published and made publicly available within 2 years of enactment, and updated every two years thereafter. Perhaps most prominently, Section 4(b) of the bill would require that the report include an itemized list of repair needs at each project. This list would include both a cost estimate for repair needs at Reclamation facilities and a rating for each item. The inclusion of the new ratings and repair estimates would apply to both reserved and transferred works, respectively. That is, all Reclamation-owned infrastructure, including that operated and maintained by local sponsors, would be subject to the new requirements. The bill would provide an exception to the public reporting requirements for sensitive or classified information, but would require that this information still must be made available to Congress.

S. 1800 does not appear to address directly the management of projects by Reclamation or its local cooperators. Rather, its focus is on what information is made available to Congress and the general public about Reclamation facilities, and in what format. S. 1800 provides the Administration with some flexibility to determine how it would implement the bill; however, the extent to which the new requirements in the legislation would fit into existing processes or necessitate new ones may be a matter of debate. Similarly, it is unclear whether the bill’s requirements would create new costs for Reclamation, such as costs resulting from the assessment and publishing of project repair estimates and/or ratings in the

new report. Some may also raise concerns about whether Reclamation's repair estimates or ratings could result in increased operations and maintenance costs being assessed on users. The extent to which such a scenario would actually be the case may be a function of how Reclamation would interpret and implement the bill.

Finally, some may also question how much of the information that would be required by the legislation is currently available in existing sources (such as through Reclamation's Associated Facilities Review of Operations and Maintenance Examinations program and its Facility Maintenance and Rehabilitation Program). While some of this information appears to be available within Reclamation, it is possible that a more in-depth review of the needs at other facilities, especially transferred works, could be interpreted to be required under the legislation. However, CRS is unable to say the extent to which this is the case.

This concludes my statement. I would be happy to answer any questions you may have at the appropriate time.