

**NEWS  
FROM****CONGRESSMAN  
GEORGE MILLER**

7th District, Calif. Committee on Resources.  
Committee on Education and the Workforce.  
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Statement by  
**Congressman George Miller**  
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### **CALFED: "Work in Progress"**

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Over the past three and a half years, the dozens of men and women involved in the CALFED process have conducted a comprehensive review of California's water policy. They deserve our appreciation, and the CALFED process deserves our continued support.

I consider CALFED to be the most important process aimed at resolving the state's future water needs and priorities. However, at this stage, the draft Environmental Impact Statement is a "work in progress" on which we must now build a more comprehensive set of water management solutions.

The "common program elements" used in the draft Environmental Impact Statement (EIS) artificially insulates stakeholders, decision-makers and the public from a full consideration of market-oriented approaches that will force more efficient use and improved water quality including water transfers, conservation, wastewater reuse, progressive pricing and groundwater management. Such a strategy could substitute concrete for sound planning and hard management decisions, and could revive the controversies, subsidies and stalemate of California's water wars.

**Marketing and Transfers.** We have clear evidence from energy, utilities and telecommunications that when we move to a more market oriented approach, supplies develop and efficiency improves. CALFED must place greater emphasis on water marketing, transfers, waste water reuse, and conservation. As Frederick Cannon, Executive Vice President of the Bank of America, recently noted, "[W]e are convinced that a fully developed, appropriately regulated water market would help relieve a significant degree of the existing uncertainty about water supplies.

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Colorado has very active water markets, and Oregon adopted a model water transfer statute over a decade ago. California's state government should follow these examples to remove barriers to the orderly transfer of water throughout the state while providing appropriate assurances that no region's economy is unfairly impacted.

Over the past 15 years, we have enacted a number of important reforms on water management and environmental restoration. Implementation of many key components of those laws has been challenged, delayed and obstructed by many of the same parties who have opposed water management, fought contracting reforms and challenged subsidy reductions. Six years after the Central Valley Project Improvement Act (CVPIA) was enacted, few water transfers have been achieved in the State although most knowledgeable observers agree transfers are critical to future water management.

**Repayment and Debt.** For CALFED to succeed, we also must focus on the issue of who will pay for improvements. Beneficiaries of new projects will have to pay for their construction, operation and maintenance. The days of taxpayer-subsidized water projects are over.

**Groundwater Management.** There is a great deal of interest in CALFED regarding storing additional water underground, which would serve many quality and supply needs. But CALFED is not as adamant about a comprehensive system for *managing* groundwater, as Arizona and other states already do. Groundwater depletion was one of the major rationales for building the Central Valley Project in the 1930s, and it is as bad now or worse. No California water program is credible unless it calls for an aggressive program to manage groundwater withdrawals.

**Drainage.** While the CALFED storage and conveyance alternatives obviously contemplate increased deliveries of irrigation water into the Central Valley, there still are no corresponding plans for reducing the severe environmental and wildlife problems associated with contaminated drainage water. I question whether CALFED can credibly discuss increased storage and deliveries of irrigation water without simultaneously addressing issues such as the treatment of drainage and the retirement of lands whose drainage generates water quality problems.

The CALFED process is historic, and all Californians should be grateful for the extensive and difficult work already completed by the participants. I am confident that the public comments on this draft EIS will help the CALFED participants to develop a new set of alternatives that address the full range of efficient water management measures. An expanded series of options and strategies will not only be beneficial to the environment and to water users, but to the taxpayers who ultimately could be called upon to pick up a very expensive bill. Let's make sure that before anyone obligates Californians to decades of debt, we have implemented -- not just *promised* -- the operational and managerial efficiency that we know is possible in modern water policy.

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