

**TESTIMONY OF DAVID J. HAYES**  
**Deputy Secretary of the Interior**  
**on the CALFED Program**  
**before the House Resources Committee**  
**Subcommittee on Water and Power**

**June 29, 2000**

Mr. Chairman, thank you for the opportunity to appear before your Subcommittee. I am particularly pleased to be able to come forward today to discuss important recent developments in advancing California water policy with California Secretary of Resources Mary Nichols. Also with me today is Felicia Marcus, Regional Administrator of the Environmental Protection Agency, Region IX, and Steve Stockton, Director of Programs Management, South Pacific Division, U.S. Army Corps of Engineers. I am proud to report substantial progress and broad stakeholder support.

This month, we achieved a significant agreement with the Governor on how to proceed with the CALFED Program. That agreement, reflected in *California's Water Future: A Framework for Action*, frames a shared vision for water policy in California. We are actively involved in completing the final environmental impact statement/environmental impact report and we are hopeful that a Record of Decision will be issued later this summer.

I want to thank Congress for its continued support of the CALFED process over the last six years. We could not have traveled this far in the unique state and federal partnership that has developed without continued interest and help from Congress.

**The History.** This partnership started in 1994, with the Bay-Delta Accord. The Accord helped to stabilize the water conflicts among water users over the short term in the face of a

seriously degraded ecosystem, newly listed species under the Endangered Species Act, deteriorating water quality in the Delta, and increasing demands to water by water users. From the efforts that resulted in the Accord, the CALFED partnership was born in 1995 to develop a long-term comprehensive plan to resolving California's water conflicts. The state-federal partnership that makes up the CALFED process is a unique and unprecedented effort. With the support of Congress, California is leading the way in a collaborative process that includes extensive stakeholder outreach.

Over the last year, however, we have strained to minimize increasing conflicts among water users under the Accord (which expires later this year) and with implementation of the Central Valley Project Improvement Act. Although there was recognition that CALFED needed to address environmental problems and the needs of water users over the long-term, stakeholder groups in the CALFED process continued to make competing demands on both ends of the spectrum. It appeared that complete consensus would not be possible. As a result, all stakeholders encouraged the state and federal government to work towards a productive and positive solution in resolving the long-term issues.

**Building The Framework.** California's Governor Gray Davis and Secretary Babbitt agreed with stakeholders that the time had arrived for the state and federal governments to provide the leadership to craft a package of proposed long-term actions to address the key issues facing the Delta and affecting two-thirds of the State of California. Secretary Babbitt and I, as well as other federal and state representatives met extensively with stakeholders, and we engaged in our discussions with the State with full knowledge of stakeholder concerns and armed with

five years of extensive study and potential solutions developed in the CALFED process. We were committed to the Delta as a valuable, healthy ecosystem and an essential instrument for California's water system.

*The Framework* sets out a vision for the largest, most comprehensive water management program in the world. This would be the most complex and extensive ecosystem restoration project ever proposed. It would launch an ambitious water use efficiency and conservation effort. It is the most far-reaching effort to improve the drinking water quality of 22 million Californians and it is an unprecedented commitment to watershed restoration, water transfer and levee protection. It would also require the most significant investment in surface and groundwater storage and conveyance in California in decades. We have developed a package with the Governor that would enhance water supply flexibility and reliability for water users throughout the State complete with ESA assurances predicated on the development of an Environmental Water Account to protect both listed species and water users. In addition, we have heard and responded to stakeholder calls for more and better science in the decision-making process and for a comprehensive governance program. The fruit of our efforts is *the Framework*, and we are pleased to put it on the table for your review.

We recognize that any solution set to a problem as large and complex as that facing California and the use of water will not make everyone happy. The goal of our efforts, however, is to recognize the core interests of all the parties and build a solution that takes the conflict out of this existing and long-established system. We are not able to turn back history with regard to the fundamental water system in the Delta, but we are able -- in a difficult arena that calls for

leadership -- to balance competing interests and provide a framework for a long-term solution to many of California's water needs. The framework is a comprehensive package. We need to implement it in a manner whereby all components of the program move forward together.

**Need for Continued Congressional Support.** We also recognize that this *Framework* is subject to consideration by both legislative bodies that have shown a keen and continuing interest in this process -- the U.S. Congress, and the California legislature. Because the time remaining this year in the respective legislative calendars is short, we expect a full and robust debate on authorization for this ambitious plan for California next year. We expect to work closely with Congress on developing an appropriate legislative package based on the Framework and the Record of Decision after the ROD is issued. In the meantime, it is important that activities consistent with *the Framework* be continued so that California does not lose a full year in implementing this new system. For this reason, we would like to work with the Congress to extend the California Bay Delta Environmental Enhancement Act authorization and to fund the program at the level contained in the President's FY 2001 budget, \$60 million. It is critically important now, after six years of intensive legislative and public support, for all interested parties to come together to continue support for this program into next year. I ask for your assistance in that regard.

*The Framework* is a delicate balance of competing needs and interests. The State of California has come forward with full funding for its share of the CALFED effort in the next year. The state, however, cannot and should not be asked to shoulder these burdens alone. It is even more important now for appropriate federal funding to be available and to not have any

disruption of activity or support on the federal side of this unique partnership. Otherwise, we risk only increased conflicts among water users and losing valuable time in implementing a strategy to address California's long-term water needs.

I would be happy to answer any questions the Subcommittee may have. Felicia Marcus of EPA and Steve Stockton of the Corps are available to answer questions as well.