A CURRENT VIEW OF THE RECLAMATION PROGRAM

I appreciate the opportunity to meet with you and join in the discussions of AGC-Reclamation business. For a few minutes I'd like to talk about Reclamation's fiscal year 1975 construction program; our relationships with the Congress and the Department of the Interior; and also about Reclamation's future.

Our fiscal year 1975 appropriations total $507 million, the second largest in Reclamation history. Appropriations for construction activities amount to $366 million and include major items of work in each of the seven regions. However, you will recall that when President Ford approved the Public Works Appropriation Act of August 28, 1974, it was indicated that there were some troublesome increases in the public works bill as passed. We expect that he will recommend deferral of a portion of the new program but details have not yet been released. The President's requests for the deferral of spending will be accomplished under the provisions of the new Congressional Budget (and Impoundment Control) Act of 1974.

We have accelerated construction of the Third Powerplant at Grand Coulee Dam in Washington and are meeting our revised construction schedules to allow initial generation from the first of the three 600-megawatt units in August of 1975, with additional units on the line at 6-month intervals. With water now behind the Forebay Dam, the general contractors are moving
along with the completion of the powerplant structure. A $57.8 million contract was awarded a year ago to Canadian GE and Allis Chalmers for the second three units, rated at 700 megawatts each. These larger units are scheduled to start up at 6-month intervals beginning in April 1977.

Since early 1972, construction has been underway on Teton Dam in Idaho while an environmental suit seeking a halt to construction has been before the courts. Bids are to be opened next week on the contract for completion of Teton Dam, Powerplant, and Pumping Plant. A finding by the court in favor of the project was issued in January 1974, but an appeal has been filed.

Work commenced in June 1974 on a $62 million contract for foundation excavation at Auburn Dam, Auburn-Folsom South Unit, Central Valley Project, California. No other major contracts related to Auburn Dam are scheduled for award this fiscal year. As a result of an environmental lawsuit, a Federal District Judge issued an injunction against further planning and construction of Auburn Dam, but stayed the execution of the injunction for 180 days while Reclamation prepared and submitted an amendment to the final environmental statement to the Council on Environmental Quality.

On the Sacramento Division of the Central Valley Project, an additional 15-mile reach of the 120-mile Tehama-Colusa Canal is scheduled for contract award next spring. We also expect to continue with construction
of the distribution system for the Westlands Water District in California with another contract award for construction of 50 miles of pipeline and pumping plants.

In addition to continuing construction on the Granite Reef Aqueduct for the Central Arizona Project, other interesting work is coming up in the Lower Colorado River Region in connection with the Colorado River Basin Salinity Control Project. The Congress has appropriated funds for the start of the lining of some 49 miles of the existing Coachella Canal and for construction of a desalting complex. The large desalting plant (capacity 129 million gallons per day) will be a principal feature in controlling salinity of the Colorado River water entering Mexico, fulfilling U.S. obligations under an agreement with Mexico, signed in August 1973. Additionally, the program involves a well field for ground water pumping near the International border and a number of point source salinity control measures upstream from Imperial Dam. The schedules for construction of these works are now being firmed up.

Work is proceeding on the $21 million contract for construction of Crystal Dam and Powerplant on the Gunnison River in Colorado with completion scheduled for early 1977. In Utah, there have been some delays in proceeding with a full construction program on the Bonneville Unit due to budgetary problems and the resolution of tough environmental issues. However, last June a $18 million contract was awarded for construction
of Currant Creek Dam, another feature of the water collection system in the Uinta Basin.

In the Southwest Region, work continues on Mountain Park Dam in Oklahoma; Nambe Falls Dam for the San Juan-Chama Project in New Mexico; irrigation canal and laterals for the Navajo Indian Irrigation Project in New Mexico; and on the relocation of roads, a railroad, and utilities on the Palmetto Bend Project in Texas. We expect to proceed with bid calls and construction of Palmetto Bend Dam this fall and winter, although we have some concern about the environmental suit pending on the Palmetto Bend Project. (On Monday, September 30, 1974, the Judge issued a stop-work order.)

In the Missouri River Basin, environmental suits also challenge project developments on the Garrison Diversion Unit, North Dakota, and Oahe Unit, South Dakota. Both projects involve diversion of water from Missouri River reservoirs, where Federal hydroelectric power has been developed, with diverted waters to serve future multipurpose needs of irrigation, municipal and industrial water, and fish and wildlife mitigation and enhancement. While working to resolve the environmental issues, we are proceeding with construction of the Snake Creek Pumping Plant and McClusky Canal in North Dakota and with construction of Oahe Pumping Plant in South Dakota.

Our major construction program to the south and west of us here in Denver is on the Fryingpan-Arkansas Project. During the past year, construction
of the Nast Tunnel was completed and a contract was awarded for con-
struction of Cunningham Tunnel, facilities to collect water on the
western slope of the Divide for diversion to the east slope for multi-
purpose use. Storage has been initiated in the reservoir formed by the
soon-to-be-completed Pueblo Dam. We expect initial generation by the
end of 1976 from Mt. Elbert Pumped Storage Powerplant.

The long-term impacts upon Reclamation which will result from the changes
in leadership in various parts of the Federal Government are somewhat
speculative at this time. However, it appears the prospects for a strong,
continuing Reclamation program are good. We have a new and dynamic
President who wants action to strengthen the economy through constructive
changes. In this regard, Secretary Morton has observed that there has
been a tendency in the past to over-commitment in some areas by investing
too heavily in some Federal programs with very limited short-range
objectives. Although the Secretary concedes it may be necessary to
curtail overall Federal spending, he is firmly dedicated to working
toward further resource development.

I believe the outlook toward Reclamation activities has changed markedly
during the past year. The food shortage last year has virtually erased
our stocks of surplus food. The courts have ruled rather consistently
in favor of the Bureau of Reclamation and against those who have brought
suit against us. Many Congressmen--leaders of both parties--have reaffirmed
their belief in the value of the Reclamation program. The Congress and its appropriations committees are favorable toward the program as evidenced by write-ins of funds to start new projects. There is ever-increasing awareness in the Department of the Interior of Reclamation's water resource program, its accomplishments, and its merits. The sale of food abroad is beginning to be recognized as an excellent way to swing the balance of trade more favorably toward the United States.

Another factor of equal or greater importance is that the energy crisis has focused new attention on the multiple benefits derived and to be derived from water resource development projects. The fact that the Bureau's 49 hydroplants produced 38 billion kilowatt hours of energy last year—an amount equivalent to the energy that could be produced by burning 75 million barrels of oil or 18 million tons of coal—is significant in itself. Further, the mission of the Bureau takes on added importance at this time when you consider that nearly all of the proposed solutions to the energy crisis rely upon water as an essential ingredient. Whether we are talking of coal-fired steam plants, gasification of coal, development of oil shale, acceleration of nuclear power production, or additional hydro installations, water is a key element, and water is Reclamation's business.

As you all know, Reclamation's primary link to the Congress is through the respective Interior and Insular Affairs Committee and Subcommittees of the Senate and the House of Representatives. There have been numerous
changes in membership in recent years; the loss of dedicated members such as Aspinall and Saylor from the House Committee dealt that Committee a serious blow. Nevertheless, the Committee has many strong members who are working hard to put it back on track. On the Senate side, we all know that Senator Jackson may seek the Presidency in 1976, and it will be of interest to see what impact this may have upon the Senate Committee on Interior and Insular Affairs.

In the past few months, the Interior and Insular Affairs Committees have been assembling an omnibus bill which is yet to be considered by the Senate. The original 14-item bill, since modified to 13 items, will provide for several major construction works including authorization of the Cibolo Project, Texas; modifications of the Mountain Park Project, Oklahoma, to deliver water to Frederick, Oklahoma; recreation facilities for Solano Project, California; authorization for miscellaneous drainage facilities for the Vernal Unit of the Central Utah Project and the Emery County Project; provision for an adequate spillway for Belle Fourche Dam, South Dakota; rehabilitation of a portion of the Glendo Dam road, Wyoming; the Nueces River Project, Texas; a second one hundred-megawatt unit at the Mount Elbert Pumped Storage Powerplant, Fryingpan-Arkansas Project; and the Savage Rapids Dam Fishway, Oregon.

I am determined that the Reclamation program shall continue to be geared to meet the Nation's long-range needs in water resource development. To accomplish this, the Bureau of Reclamation is advancing into new areas
of water management and augmentation by means of weather modification, geothermal research, and recycling of irrigation runoff. In addition, we are focusing our attention on more efficient use of already developed water supplies through our irrigation management services program and the development of closed conduit distribution systems.

These activities serve to indicate our emphasis on the concept of total water management which is assuming increasing importance in the Reclamation program.

In recent years, the thrust of the Reclamation program has shifted toward providing water for municipal and industrial use and toward the enhancement of the environment. We are spending considerable sums each year to develop new recreational facilities, to mitigate the effects of our water resource development on fish and wildlife, and to enhance the fisheries on many of our major western streams.

Today, we are again assessing our priorities and giving greater emphasis to meeting the demands for the water which will be needed to develop new sources of energy.

Any suggestions that Reclamation has outlived its usefulness as a developer and manager of water resources for multipurpose--including agriculture--must be strenuously resisted, because the facts tell a far different story. We are convinced that the Bureau of Reclamation is uniquely
qualified to play a major role in preserving our way of life, and in strengthening the social and economic foundations of the Nation. During the 72 years of its existence, Reclamation has demonstrated imagination and flexibility in serving the water needs of our citizens. I believe its history of service will not only continue into the future, but will also expand because of our experience and competence in developing all sources of water--ground, surface, sea, atmospheric, and geothermal--for all functions demanded by man, for the benefit of mankind.