

TO DIRECT THE SECRETARY OF THE INTERIOR TO ALLOW FOR PREPAYMENT OF REPAYMENT CONTRACTS BETWEEN THE UNITED STATES AND THE UINTAH WATER CONSERVATORY DISTRICT

OCTOBER 14, 2011.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 818]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 818) to direct the Secretary of the Interior to allow for prepayment of repayment contracts between the United States and the Uintah Water Conservatory District, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 818 is to direct the Secretary of the Interior to allow for prepayment of repayment contracts between the United States and the Uintah Water Conservancy District.

BACKGROUND AND NEED FOR LEGISLATION

Under current federal law, water districts which benefit from Bureau of Reclamation projects can enter into a capital repayment contract with the federal government to repay the U.S. Treasury for their respective costs associated with the federal project. Most local water districts are not allowed under federal law to prepay these contractual obligations unless specifically authorized by Congress and the President. Prepayments can bring added revenue to the U.S. Treasury in the short-term, although they can reduce overall federal revenue over the long-term since compounded interest payments would be reduced. From a local water utility perspective, these prepayment authorizations can reduce local financial obligations and, in some cases, reduce burdensome federal regulatory requirements (such as irrigation acreage limitations and reporting

requirements set forth in the Reclamation Reform Act of 1982, Public Law 97–293).

The Uintah Water Conservancy District could use the authority in H.R. 818 to prepay its municipal and industrial water contract. The District entered into a repayment contract with the federal government in 1976 to repay all reimbursable costs associated with the Jensen Unit of the Central Utah Project.

COMMITTEE ACTION

H.R. 818 was introduced on February 18, 2011, by Congressman Jim Matheson (D–UT). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Water and Power. On May 12, 2011, the Subcommittee on Water and Power held a hearing on the bill. On July 20, 2011, the Full Resources Committee met to consider the bill. The Subcommittee on Water and Power was discharged by unanimous consent. No amendments were offered, and the bill was ordered favorably reported to the House of Representatives by unanimous consent.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 818—A bill to direct the Secretary of the Interior to allow for prepayment of repayment contracts between the United States and the Uintah Water Conservancy District

H.R. 818 would allow the Uintah Water Conservancy District in Utah to prepay the present value of certain amounts the district owes to the U.S. Treasury for its share of the cost to build the Jensen Unit of the Central Utah Project. Based on information from the Bureau of Reclamation and the Uintah Water Conservancy District, CBO estimates that enacting the legislation would have no impact on the federal budget. Because the legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

The Uintah Water Conservancy District is currently paying the federal government about \$227,000 a year on a balance of \$3.9 bil-

lion in project construction costs that have been allocated to the district for repayment. However, if the district chose to prepay its debt to the government under the bill, it also would have to pay for additional construction costs—totaling \$7.4 million—that have not yet been assigned to the district for repayment. Information from the district indicates that it would be unable to prepay that additional amount. Therefore, if the bill were enacted, CBO expects that the district would continue to make the annual payments it does under current law and the legislation would have no impact on the federal budget.

H.R. 818 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

On July 28, 2011, CBO transmitted a cost estimate for S. 808, a bill to direct the Secretary of the Interior to allow for prepayment of repayment contracts between the United States and the Uintah Water Conservancy District, as ordered reported by the Senate Committee on Energy and Natural Resources on July 14, 2011. The two pieces of legislation and CBO's cost estimates are the same.

The CBO staff contact for the estimate is Aurora Swanson. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. CBO estimates that enacting the legislation would have no impact on the federal budget. Because the legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

3. General Performance Goals and Objectives. This bill does not authorize funding and therefore, clause 3(c)(4) of rule XIII of the Rules of the House of Representatives does not apply.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.