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Testimony by Charles L. Nylander, Chairman

Federal Affairs Committee

Western Coalition of Arid States (WESTCAS)

Submitted (for the record) to the Committee on Appropriations

Subcommittee Agriculture, Rural Development & Related Agencies

Regarding FY07 Department of Agriculture Budget

April 30, 2006

On behalf of the Western Coalition of Arid States (WESTCAS) I am pleased to submit this testimony regarding the proposed FY 07 budget for the U.S. Department of Agriculture (U.S.D.A.). This testimony is provided in a format with specific reference to the U.S.D.A. Strategic Plan Framework

WESTCAS is a coalition of Western towns and municipalities, water and wastewater agencies, irrigation districts, Native American nations, companies with water and wastewater concerns and professionals in the fields of engineering, the environmental sciences, and natural resources law and policy. WESTCAS was formed in 1992 by Western water and wastewater agencies concerned with the quality and management of water resources in the Arid West. A grass roots organization, WESTCAS is dedicated to encouraging the development of water programs and regulations which assure adequate supplies of high quality water for those living in the arid regions while protecting the environment.

Strategic Goal 3: Support Increased Economic Opportunities and Improved Quality of Life in Rural America.

The proposed FY 07 budget includes \$1.4 billion funding for providing new or improved water and wastewater disposal facilities. Although the proposed funding represents a higher loan to grant ratio than existed in FY 06, the U.S.D.A. is proposing to reduce the interest rate on loans. WESTCAS favors this approach, and supports increased funding for this important water/wastewater infrastructure financing program for the smaller rural communities in the nation. The Western States are experiencing significant population impacts, with some communities growing smaller and some communities growing larger due to increases in retirement population relocation. In either instance, the rural communities are in dire need of cost-effective financial alternatives to upgrade and maintain adequate water and wastewater infrastructure.

The Voice of Water Quality in the Arid West

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The Western Coalition of Arid States

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Strategic Goal 6: Protect and Enhance the Nation's Natural Resource Base and Environment.

The proposed FY 07 budget provides increased levels of funding for financial and technical assistance to support the farm bill conservation programs. The proposed budget includes \$4 billion for these programs, and WESTCAS supports the increase in funding for such important programs as: Conservation Security Program and the Wetlands Reserve Program. WESTCAS also supports, but encourages a greater increase in the proposed budget for reducing the risk from catastrophic wildfires and implementation of the President's Healthy Forest Initiative. Likewise, WESTCAS supports increased funding for the Agricultural Research Service (ARS) to conduct research leading to drought mitigation technologies and management systems, and increases in the funding for the

National Research Initiative to support projects to improve the water-use efficiency of crops, managed forests, and horticultural plants. Although the proposed FY 07 budget includes a \$3.2 million increase for the ARS to conduct research leading to support of the President's Climate Change Research Initiative, WESTCAS suggests that additional funding is required beyond the proposed budget increase to gain important data and information regarding this significant issue.

The seven western states represented by WESTCAS are in the sixth year of a drought cycle that has left the lands parched, and the mountain ranges in most states have measured reduced snow pack for the winter of 2005-2006. Most of the Arid Southwest has suffered reduced precipitation to the extent of nearing the lowest levels in the past 100 years. The watersheds in most areas are predicted to yield below-average surface water runoff this year. The forests and grasslands are extremely vulnerable to catastrophic wildfire. Many of the U.S.D.A. natural resources and environment programs are therefore invaluable in the fight to maintain the natural environment. WESTCAS strongly urges increased funding for the conservation, watershed, wetlands, and wildlife programs. In particular, the Environmental Quality Incentives Program (EQIP) should be supported with increased funding. EQIP provides assistance to landowners who face serious natural resource challenges, and the continuing drought in the western states has exacerbated the need for such a program. The proposed FY 07 budget allots \$1 billion for the EQIP program, which is \$270 million less than it received last year. According to published information, this program has a waiting list of over 32,700 farmers seeking contracts at the end of last year. WESTCAS is concerned that the issues related to the long-term drought will continue to significantly increase the need for increased funding for this valuable program.

Of course, the long-term drought conditions in the western states also underscore the need for increased funding for the Crop Insurance Program and the Livestock Assistance Program. WESTCAS strongly supports increased funding for these two important

The Western Coalition of Arid States

W E S T C A S

programs. On April 27, 2006 I attended a Senate Energy & Natural Resources Field Hearing in Albuquerque, New Mexico. As Chairman for the hearing, Senator Pete Domenici, and ranking member Senator Jeff Bingaman both heard testimony from panel members that underscored the importance of EQIP, Crop Insurance, and the Livestock Assistance Programs. The drought conditions have been particularly severe in New Mexico, and these types of financial assistance programs are vital for the ranching and farming communities in New Mexico, and throughout the western states. The health of western lands, forests, and grasslands is directly tied to the natural sources of water that supplies the communities and residents of our western states. On behalf of WESTCAS and its membership, I urge increased funding for the aforementioned U.S.D.A. programs that are so vital to the welfare of the nation and the western states.

Thank you for the opportunity to provide this testimony on the proposed FY 07 proposed budget.