

Now, in order to build a thermal generating plant, you have to have water, is that not correct?

Secretary UDALL. That is correct.

Mr. SAYLOR. You have to build cooling towers. And the only water in that area is in the Colorado River?

Secretary UDALL. In Lake Powell at the place where we will be operating.

Mr. SAYLOR. And who has charge of granting permits for the taking of water out of the lake?

Secretary UDALL. The Secretary of the Interior. We sign a contract the way we do in other parts of the river.

Mr. SAYLOR. That is the third hat you have on now.

Now, the minerals that we are going to use to produce steam from the water. We have to have some minerals. I understand that you are going to use coal?

Secretary UDALL. We felt this would be a point in our favor with the Congressman.

Mr. SAYLOR. Mr. Secretary, that is not wax in my ear, that is coal dirt.

Now, is the mineral deposit, coal, also on the Indian reservation?

Secretary UDALL. Yes.

Mr. SAYLOR. So that WEST will have to come with hat in hand to ask the Secretary of the Interior whether or not they can enter into a contract with the Navajo Indians to buy the coal? Is that not correct?

Secretary UDALL. Well, I want to make this plain, as I think the Committee knows. The Navajos have very tough, able executives that they hire. They have tough, mean lawyers. I do not tell them what to do these days. And if this project were not in their interest, it would never get to my desk.

We have a very happy situation here, because we might have an argument otherwise between the Indians and some of the Arizona people over this Arizona water that is in Lake Powell, this 50,000 acre-feet which is Arizona's entitlement. But here we would use it very happily to develop Indian coal to provide water for an Arizona water project. It is really a very excellent solution to the problem.

Mr. SAYLOR. Well, Mr. Secretary, as long as you are there, I think you will deal fairly. But I just want to point out for the record that whomsoever is involved in the WEST planning group is actually operating under a tremendous handicap, because even though they enter into a fine arrangement with the Indians, the power of veto or approval still rests with the Secretary of the Interior. Is that not correct?

Now, this is true whether or not you put any money in it or whether you buy power from just a block of power.

Secretary UDALL. We have considerable control, it is true. But I think you should understand that the WEST organization has been highly successful at this point. We put other plants together. We are planning for the whole region. This includes southern California with the fastest growing electric power load in the country. Although the Department of the Interior is not part of the WEST organization officially, we are keenly interested in its success and we are, therefore, helping all that we can to put these various projects together.