

Mr. DOMINY. That, Mr. Saylor, is directed not toward the repayment provisions of reclamation law, but to benefit-cost ratio calculations. I am sure that it would reduce the project benefit-cost ratio significantly, but I am confident it would still remain better than 1 to 1, because this project has a high benefit-cost ratio now.

Mr. UDALL. It is 2.6, now, isn't it?

Mr. DOMINY. 2.5 to 1 and I am certain it would still remain well above unity, but it would decrease substantially.

Mr. SAYLOR. The reason I ask that, it will work in this project, but there are many that you have down there that it is going to put at less than 1 to 1.

Mr. DOMINY. I agree with you.

Mr. HOSMER. Will the gentleman yield?

Mr. UDALL. Mr. Tunney had asked me to yield previously.

Mr. TUNNEY. Thank you, Mr. Udall.

I would like also to ask you how much more would California be getting, assuming that the central Arizona project goes through?

Mr. DOMINY. He assumed a 4.4 million acre-feet priority for California.

Mr. TUNNEY. And you assumed that California would get—

Mr. DOMINY. Yes; in my answer I was assuming 4.4.

Mr. HOSMER. Will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. HOSMER. I was assuming that in the 4.4 there would be certain Lower Basin projects that would have inadequate water to supply their capacity in later years.

Mr. DOMINY. In the low water years, certainly. In high water years, California has been using more than 4.4.

Mr. HOSMER. I understand that. But what I am trying to get at is it seems to me there is a cost detriment back there when you consider forgoing use of existing installations that cost many millions of dollars. I wonder if this cost detriment factor has been put into your answer that the cost-benefit ratio would be still above unity?

Mr. DOMINY. Well, no, because under the Supreme Court decision, there are certain entitlements to the water on the river.

Mr. HOSMER. But this is in fact a loss, but it is a loss that is not factored into the answer that you have given relative to the cost-benefit ratio?

Mr. DOMINY. It has not been considered, that is right, sir.

Mr. HOSMER. The point, Mr. Dominy, that I am making is you can make any assumptions you want to, but you do not have to take the best assumptions of all to make the CAP feasible? You can take some assumptions that are less favorable and still have a highly feasible project?

Mr. DOMINY. That is right.

Mr. HOSMER. If you do not assume a 4.4 formula or something less than the actual pristine perpetuity guarantee, CAP is even more favorable.

Mr. DOMINY. That is correct, you would have a considerably better water supply over the life of the project if there were a sharing of shortages, for example, under the Rifkind formula or some such pattern.

Mr. HOSMER. I yield back to the gentleman.