WATER RESOURCES PLANNING ACT AMENDMENT

HEARING

BEFORE THE

SUBCOMMITTEE ON WATER AND POWER RESOURCES

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

NINETIETH CONGRESS

SECOND SESSION

ON

S. 3058

A BILL TO AMEND THE WATER RESOURCES PLANNING ACT TO REVISE THE AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTERING THE PROVISIONS OF THE ACT, AND FOR OTHER PURPOSES

APRIL 22, 1968

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CONTENTS

WATER RESOURCES PLANNING ACT AMENDMENT

MONDAY, APRIL 22, 1968

U.S. SENATE,
SUBCOMMITTEE ON WATER AND POWER RESOURCES
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 o'clock a.m., in room 3110, New Senate Office Building, Senator Clinton P. Anderson (chairman of the subcommittee) presiding.

Present: Senators Anderson, Moss, Jordan of Idaho, and Burdick.

Staff members present: Jerry T. Verkler, staff director; Stewart French, chief counsel; Daniel Dreyfus, professional staff member; and E. Lewis Reid, minority counsel.

Senator ANDERSON. The committee will come to order.

The purpose of this hearing before the Water and Power Resources Subcommittee this morning is to take testimony on S. 3058—introduced by Senator Jackson by request—to amend the Water Resources Planning Act to revise the authorization of appropriations for administering the provisions of the act, and for other purposes.

The bill would have the effect of removing the existing limitation of $300,000 upon annual appropriations for carrying out the provisions of title I of the Water Resources Planning Act of 1965. These funds generally cover the operating expenses of the Water Resources Council which was established by the act.

At this point in the record we will insert a copy of the bill before us and a copy of the executive communication requesting the legislation.

(The data referred to follows:)

[S. 3058, 90th Cong., second sess.]

A BILL To amend the Water Resources Planning Act to revise the authorization of appropriations for administering the provisions of the Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 401 of the Water Resources Planning Act (Public Law 89–80; 79 Stat. 244) is amended to read as follows:

"SEC. 401. There are authorized to be appropriated to carry out the provisions of this Act—

"(a) such amounts as may be necessary to administer the provisions of titles I, II, III, and IV: *Provided,* That not to exceed $400,000 annually shall be availabe to administer the provisions of title III; and

"(b) not to exceed $6,000,000 annually to carry out the provisions of title II: *Provided,* That not more than $750,000 annually shall be available for any single river basin commission."

WATER RESOURCES COUNCIL,
Washington, D.C., February 24, 1968.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is draft of a proposed bill to amend the Water Resources Planning Act (Public Law 89-80; 79 Stat. 244; approved July 22, 1965).

We recommend that this bill be referred to the appropriate committee for consideration, and we recommended that it be enacted.

This proposed legislation would revise the authorization of appropriations for administrative expenses in carrying out the provisions of the Water Resources Planning Act that is contained in section 401 of the Act. Aside from changing the sequence of the provisions of section 401, the draft bill would make only one change in the substance of the section. It would remove the limitation of $300,000 annually from the authorization for appropriations for administering the provisions of Title I of the Act, and substitute an authorization for appropriations in such amounts as may be necessary. The other limitations now contained in section 401 would remain unmodified.

The passage of the Federal Salary Act of 1967 has necessitated either the removal of the limitation for administering the provisions of Title I or the curtailment of essential functions. Furthermore, experience under this Act since its enactment in July 1965, has pointed to the desirability of removing the appropriation limitation so that consideration may be given in future years to increase in appropriations to better carry out the functions and responsibilities of the Water Resources Council.

The Bureau of the Budget has advised that enactment of this draft bill would be consistent with the Administration's objectives.

Sincerely yours,

STEWART L. UDALL, *Chairman.*

(The draft bill enclosed is identical to S. 3058.)

Senator ANDERSON. Secretary Holum, I understand you have a statement. We will put your statement in the record and recognize you at this time.

STATEMENT OF HON. STEWART L. UDALL, CHAIRMAN, WATER RESOURCES COUNCIL, AS PRESENTED BY KENNETH HOLUM, ASSISTANT SECRETARY FOR WATER AND POWER

Mr. HOLUM. Thank you, Mr. Chairman. I am a little surprised to find myself before you this morning, but at the last minute Secretary Udall, who had intended to appear personally, found that his time had been preempted and asked me to appear in his stead. I am, of course, happy to be here to discuss the work of the Water Resources Council and the legislation pending before the Congress.

I am accompanied, as the Secretary would have been, by Henry Caulfield, executive director of the Water Resources Council. I hope that we will be able to supply the information that you and the members of the committee require. If not, I am sure that the Chairman of the Council, Secretary Udall, will be happy to supply the information in case there are problems that we cannot deal with.

This is only the second appearance of spokesmen for the Water Resources Council before the committee since the Council was created by act of Congress in 1965 and found itself immediately involved in the critical drought problems of the East at that time. With that in mind, Secretary Udall had planned to discuss in considerable detail the activities of the Council since that time.

I think, Mr. Chairman, it is only appropriate because I am here as his substitute that I read for the record what he had prepared to say this morning.

I think I can appropriately skip over the first three pages in this oral summary. I would want to note, however, in so doing, that Secretary Udall told me when he asked me to substitute for him this morning, to be sure and say to you and to the committee that from his point of view, and certainly as his representative on the Council of Representatives I share it, the Council is off to a good start. It has accomplished, in our judgment, everything that could be expected of an organization with such large responsibilities in such a short period of time.

The Water Resources Council came into existence partly because of your own concern over the relationship between the Federal agencies and the States in the field of water resource development. I think one of the outstanding accomplishments of the Council has been bringing together in a closer working relationship the State agencies and Federal agencies that deal in this water and related land resources field.

The Secretary was prepared to say, and I shall say for him, that never in our history, Mr. Chairman, have Federal-State relations in water resources planning been as close, cordial and cooperative as they have been since your successful conciliatory effort. One of the effective means that has been used in achieving this cooperation is the National Conference of State and Federal Water Officials, the first of which was held in Denver last September and the next of which is scheduled for Detroit in July of this year.

Having summarized the first three pages, Mr. Chairman, I shall begin at the top of page 4 and take the liberty of reading Chairman Udall's prepared statement to you.

In reviewing progress in implementation of the Water Resources Planning Act, I would remind you that the act has three principal titles:

Title I establishes the Water Resources Council and specifies its authorities and responsibilities;

Title II authorizes the establishment of Federal-State regional or river basin planning commissions; and

Title III authorizes matching financial grants to States for comprehensive water and related land resources planning.

S. 3058, the bill now before the subcommittee, would only affect the authorization of appropriations for administering title I. The limitations on appropriations relating to titles II and III would remain unchanged.

Thus I propose, first, to review briefly the Council's progress in implementing titles III and II; and then, with regard to title I, to discuss the progress in implementation of that title as well as the need for S. 3058. The Executive Director, Mr. Caulfield, whose testimony is scheduled to follow mine, will go into the need for S. 3058 in greater detail.

Title III—Financial Grants to States

In title III of the act, the Congress has authorized the appropriation of $5 million per year for 10 years for 50-percent matching grants for increased activity by the States in developing and participating

in the development of comprehensive water and related land resources plans.

For fiscal year 1967, the first year of the grant program, the Congress appropriated $1,750,000 for grants to States. In the very first year of this new program, the Council received 46 applications out of a potential 53, and approved all 46 in accord with the provisions of the act and the Council's rules and regulations.

For fiscal year 1968, the Congress appropriated $2,250,000. The Council received and approved 51 applications.

The fiscal year 1969 budget request now before the Committee on Appropriations includes $2,500,000, an increase of $250,000 over that for fiscal year 1968. On the basis of present indications, 51 out of the potential 53 grantees are again expected to request grants for fiscal year 1969.

The response of the States to the title III program has exceeded all expectations, reflecting a growing awareness by the States of the vital importance to them of becoming more involved in planning for the development and use of their water and related land resources. Many States have already made substantial progress in developing their capability for, and in engaging in, planning. This State response, Mr. Chairman, clearly validates your foresight in initiating some 10 years ago the proposal that led to title III.

Title II—River Basin Commissions

Under title II of the act, the Governors of the concerned States unanimously requested, the Council recommended, and the President has established to date four Federal-State river basin commissions: for the Pacific Northwest, Great Lakes, Souris-Red-Rainy and New England regions. Information as to date of establishment, officers, and members of these commissions is set forth in an attachment to this statement.

All four commissions were organized for the performance of their functions during 1967, within the 90 days specified in the act. They agreed upon rules of procedure, initial budgets, recommendations as to the sharing of staff costs between the States and the Federal Government, the division of these costs between the States, and initial staff authorizations. Subsequently, the four commissions have been developing their programs to carry out their functions as set forth in the act. All four have now selected their professional planning directors; and, in varying degrees, have recruited other staff. Covering the regions of all four commissions, comprehensive framework studies, the first step in implementing section 201(b)(2) of the act, are now underway. They are being funded annually by the Congress for participation by Federal departments and agencies.

The amount of funds provided for each commission in fiscal year 1968, including the salary and expenses of the Chairman, is within a $200,000 limitation contained in the 1968 Appropriation Act. This limitation is substantially less than the $750,000 limitation contained in section 401 of the act. Nevertheless, in its testimony before the Committee on Appropriations this year, the Council did not request reconsideration of the limitation. It sees no need to do so at this time.

Section 207 of the act provides that each commission shall recommend what share of its expenses shall be borne by the Federal Govern-

ment. In acting upon these recommendations, the Council has adopted the policy, which has been approved by the Committee on Appropriations, providing that the annual Federal contribution to each commission may equal 50 percent of total operating costs. The balance is funded by the participating States.

Governors of certain States within the Missouri River Basin and the Ohio River Basin have requested establishment of commissions for those basins, but the number of requests or concurrences so far, in each case, is insufficient for establishment. Discussion of the desirability of a Pacific Southwest River Basins Commission has occurred among representatives of the States concerned, but no official proposal for a commission has yet been made. Also certain States in the Upper Mississippi River region are actively considering this matter, as are certain others in the Southeast region.

The first four commissions, as I indicated, were established upon the initiative and unanimous request of the concerned States. State initiative is most desirable and the Council has not chosen to take such action upon itself. However, every opportunity afforded has been taken to make known to Governors and others the method of operation of Federal-State river basin commissions, and their advantages over other available means for Federal and Federal-State coordination and preparation of comprehensive river basin plans. As this information becomes widespread, and the present commissions demonstrate their advantages, further initiatives to establish additional river basin commissions will undoubtedly be taken by the States.

Title I—Water Resources Council

The Water Resources Council, as created by title I, was composed initially of the Secretaries of Agriculture; the Army; Health, Education, and Welfare; the Interior; and the Chairman of the Federal Power Commission. The Secretary of Transportation was added by the Department of Transportation Act of 1966.

Included by Council regulation, as associate members, are the Secretary of Commerce and the Secretary of Housing and Urban Development; and, as observers, the Attorney General and the Director of the Bureau of the Budget. All of these officials have substantial statutory responsibilities with regard to water. Section 101 of the act provides that "heads of other Federal agencies" shall be requested to participate with the Council when matters affecting their responsibilities are considered by the Council. Status as associate member or observer enables these officials to keep regularly informed of the business of the Council and decide for themselves when matters affecting their responsibilities are being considered.

Each of the members, associate members, and observers has named a representative who functions with the Executive Director in the conduct of the Council's business between meetings of their principals. The principals meet regularly every 3 months and on the call of the chairman. The representatives, with the Executive Director acting as a voting chairman, meet almost every week. Decisions at this level can be made only by unanimous agreement. Disagreements automatically become issues for consideration by the principals. Major matters, as

93-629—68——2

specified in Council rules and regulations, can be decided only by the principals.

This system of decisionmaking by the Council, which has been in effect since November 1966, has worked very well. It has enabled the Council to act upon many matters which clearly do not require face-to-face consideration by the principals. On the other hand, it identifies sharply the areas of real disagreement. Thus, the process assures that the matters that the principals do consider are important.

Let me mention the Council's functions, and some examples of the Council's work relating to each function:

First function.—To maintain a continuing study of the adequacy of supplies of water and related land resources to meet requirements, and to prepare a periodic national assessment (sec. 102).

Early in 1967 the Council decided upon plans for making the first national assessment, within the limits of available staff and other resources. A report on this basis is in the final stages of Council approval. It is now planned for publication in the next few months.

Based on readily available data, the report establishes the water situation for a base year, 1965; identifies current problem areas; and includes projections of water requirements for larger regions of the country. To the extent proven feasible, longrun water management problems are identified. Conclusions and recommendations with regard to them are being made.

Regional chapters have been prepared through cooperation of personnel of member agencies in the field and of the States. National summaries for each water development or use function have been prepared by member agencies. Council staff, with assistance from member agencies, is performing the necessary central staff work.

This first effort cannot be considered a full-scale national assessment within the meaning of Section 102. It represents all that is possible with present analytical methods and the organization of data for simultaneous coverage of the country as a whole, the current degree of completion of comprehensive regional framework studies, and availability of staff and other resources. Future national assessments, to be more adequate, will require more deliberate planning and preparatory work over a longer period and substantially greater Council input and other resources.

Second function.—To appraise the adequacy of administrative and statutory means for coordination and implementation of the water and related land resource policies and programs of the several Federal agencies to make recommendations to the President with respect to policies and programs (section 102).

Council appraisal of proposed Federal-interstate compact commissions for management of water and related land resources within river basins, with a view to advising the President upon them, is a major activity at the present time. The compact proposed by the Interstate Advisory Commission for the Susquehanna River Basin in 1966 initiated this work. Subsequently, the Council has focused upon the proposed Potomac River Basin Compact, and upon generally similar proposals for the Hudson River Basin. Substantial Council staff time, along with that of member agencies, is necessary to assist the Council in the development of concerted views.

To enable more widespread official and public consideration of such matters, the Council prepared and published in August 1967, a report on alternative institutional arrangements for managing river basin operations.

Also under the heading of policy development, the Council has initiated studies of current Federal policies with regard to the sharing of costs between the Federal Government and non-Federal interests for flood control and water quality investments in Federal and federally assisted projects. Its concern with flood control cost sharing stems from its broader concern with improved flood plain management. Its concern with cost sharing for provision of water quality features stems from views expressed several months ago in this committee and its counterpart in the other body.

The aim of the Council in both instances is to discover improved cost-sharing policies that would be practicable to administer and appropriate to recommend to the President for transmission to the 91st Congress in its first session.

As time and staff resources permit, review will be undertaken of the experience with the cost-sharing provisions of the Federal Water Projects Recreation Act and of other water and related land resource legislation.

Third function.—To establish, after consultation with appropriate interested Federal and non-Federal entities, and with the approval of the President, principles, standards, and procedures for Federal participation in the preparation of comprehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resource projects (section 103).

The principles, standards, and procedures for this purpose that were approved by the President on May 15, 1962, as supplemented and amended, are considered to be in full force and effect.

The document of May 15, 1962, established the discount rate to be used in the formulation and evaluation of water resource projects as the average rate of interest payable by the treasury on interest-bearing marketable securities of the United States which, upon original issue, had terms to maturity of 15 years or more. The discount rate for fiscal year 1968, based upon this formula, is 3¼ percent.

In his budget message this year, the President said the following:

"The Water Resources Council is developing a more appropriate interest rate to be applied in formulating and evaluating water projects. The revised rate will be related to the average estimated current cost to the Treasury of long-term borrowing. It will be higher than the rate now in use for project evaluation. The new rate will be applied to future projects in order to assure the most effective use of Federal funds in the development of the Nation's water resources."

The Council has this subject under consideration. When it arrives at a proposed new regulation, that proposal will be published in the Federal Register. This will be done to solicit comment and encourage consultation with interested parties, before the Council, acting under section 103 of the Act, establishes any new formula for the determination of discount rates with the approval of the President.

As time and staff resources permit, the Council plans to review, generally, the standards of May 15, 1962, as supplemented and amended, with a view to formal implementation of section 103.

Fourth function.—To coordinate schedules, budgets and programs of Federal agencies in comprehensive regional or river basin planning (derivative of section 102(b)).

In response to the recommendation of the Senate select committee that comprehensive water development plans be prepared for all the Nation's major river basins, 10 comprehensive framework-type studies are underway. One "new start" for fiscal year 1969, that for the Great Basin, is now before the Committee on Appropriations. Others will need to be started later. More detailed comprehensive basin studies are also in process in 15 smaller basins.

Interdepartmental coordination of these studies predates the act. Greater effort is warranted to coordinate them than has been possible to date.

Fifth function.—To review comprehensive river basin plans prepared in the field and to transmit them, together with its recommendations, to the President for transmittal to the Congress (section 104).

One of the comprehensive framework-type studies, that for the Ohio River Basin, will be ready for Council review in July of this year. Two more detailed basin studies have been completed and are now before the Council for review and action. This review process is critical, not only to assure that a field study is technically sound and to arrive at appropriate Council recommendations, but also to discover needed changes in current instructions to improve preparation of such studies.

Sixth function.—To carry out its responsibilities with regard to the creation, operation, and termination of Federal-State river basin commissions (specified in title II).

The current status of Federal-State river basin commissions has already been discussed. I will only add here that this function demands substantial Council staff time, particularly that of the executive director, the deputy director and the administrative officer.

These six functions, together with the seventh (which I have already discussed), relating to the title III program, involve a very substantial body of work.

The most critical factor in the proper performance of these functions is dedicated and skilled staff work preparatory to Council deliberations. Whether deliberations are being conducted by representatives of the principals or the principals themselves, they are most fruitful when they can focus upon thoughtfully prepared documents, setting forth necessary analysis of facts, clear identification of isues, and alternative courses of action that might be taken.

In a body of this kind, not all staff work for the Council should be undertaken by the Council staff. Much staff work should continue to be done by the departmental staffs, but this, too, requires arrangements to be made by the Council staff. Adequate control staff work is clearly a critical factor in the Council's performance of its function.

The Council staff now numbers 24 persons, including clerical employees. Ten of these employees work on the title III grant program. The remaining 14, which includes the executive director and deputy director, clearly constitute an inadequate staff input in the opinion of the Council members themselves.

The Bureau of the Budget has concurred in this conclusion. In addition, the Bureau advised that the Council's functions would best be

performed if the limitation of $300,000 with regard to title I were removed. If the limitation is removed, the President would then be permitted to request the Congress for funds, as he believes to be necessary each year, for administration by the Council of the provisions of the act, except as regards title III, which would retain its appropriation ceiling.

I want to say here definitely and clearly that the Council has no ambition to have a large staff, nor otherwise have very large sums to administer. Nevertheless, it believes with the Bureau of the Budget that the kind of flexibility in funding provided by S. 3058 would be highly desirable.

In closing, I would like to add a final point bearing on the matter of flexibility. The National Water Commission bill is a major example of bills enacted or now under consideration by the Congress which would add to the work of the Council. The National Water Commission bill contemplates a close working relationship between the Commission and the Council. But also, it places a clear obligation upon the Council to consider carefully the Commission's reports and submit its own views to the President on those reports. The increased burden on the Council's staff with the advent of the Commission cannot be clearly foreseen at this time, but it will be substantial. This committee, the Congress, and the administration are expecting a great deal, and rightly so, from this dual effort by the Commission and the Council. If the Council is to perform its projected role, in addition to proper performance of its present statutory duties, the administration must have the means to respond to the Council's needs through timely requests to the Committee on Appropriations.

That concludes Secretary Udall's statement, Mr. Chairman.

I will not read the attachment to the statement but would like to insert it at this point.

Senator ANDERSON. It will be printed at this point in the hearing record.

(The attachment referred to follows:)

[ATTACHMENT]

ESTABLISHED TITLE II RIVER BASIN COMMISSIONS

Pacific Northwest River Basins Commission

Established by Executive Order 11331 on March 6, 1967.

Federal Members	*State Members*
Charles W. Hodde, Chairman	William S. Holden, Vice Chairman and Member for Idaho
Representatives of:	Other Member States:
Department of Agriculture	Montana
Department of Army	Oregon
Department of Commerce	Washington
Department of Health, Education and Welfare	Wyoming
Department of Housing and Urban Development	
Department of Interior	
Department of Transportation	
Federal Power Commission	
Chairman, United States Entity for Columbia River Treaty	

Great Lakes Basin Commission

Established by Executive Order 11345 on April 20, 1967.

Federal Members	*State Members*
Raymond F. Clevenger, Chairman	Fred E. Morr, Vice Chairman and Member for Ohio
Representatives of:	Other Member States:
Department of Agriculture	Illinois
Department of Army	Indiana
Department of Commerce	Michigan
Department of Health, Education and Welfare	Minnesota
Department of Housing and Urban Development	New York
Department of Interior	Pennsylvania
Department of Justice	Wisconsin
Department of Transportation	
Federal Power Commission	

Souris-Red-Rainy River Basins Commission

Established by Executive Order 11359 on June 20, 1967.

Federal Members	*State Members*
Gordon K. Gray, Chairman	William C. Walton, Vice Chairman and Member for Minnesota
Representatives of:	Other Member States:
Department of Agriculture	North Dakota
Department of Army	South Dakota
Department of Commerce	
Department of Health, Education and Welfare	
Department of Housing and Urban Development	
Department of Interior	
Department of Transportation	
Federal Power Commission	

New England River Basins Commission

Established by Executive Order 11371 on September 7, 1967.

Federal Members	*State Members*
R. Frank Gregg, Chairman	Austin H. Wilkins, Vice Chairman and Member for Maine
Representatives of:	Other Member States:
Department of Agriculture	Connecticut
Department of Army	Massachusetts
Department of Commerce	New Hampshire
Department of Health, Education and Welfare	New York
Department of Housing and Urban Development	Rhode Island
Department of Interior	Vermont
Department of Transportation	
Federal Power Commission	

Mr. HOLUM. Mr. Chairman, I should like to suggest, with your concurrence, that Henry Caulfield, the Director of the Water Resources Council, supply his information to the committee at this time.

Senator ANDERSON. You have a statement about the limitation of $300,000. Do you favor taking off this limitation?

Mr. CAULFIELD. Yes.

Senator ANDERSON. Go ahead, Mr. Caulfield.

Mr. CAULFIELD. Thank you, Mr. Chairman.

STATEMENT OF HENRY P. CAULFIELD, JR., EXECUTIVE DIRECTOR, WATER RESOURCES COUNCIL

Mr. CAULFIELD. I appreciate this opportunity to appear before you as a witness, my first such opportunity, and to supplement the remarks delivered by Secretary Holum on behalf of the Chairman of the Water Resources Council in support of S. 3058—to amend the Water Resources Planning Act to revise the authorization of appropriations for administering the provisions of the act.

As has already been indicated, the substance of S. 3058 relates only to title I of the act and would not change the present limits on appropriations relating to titles II and III. In the opinion of the Council members, in which the Bureau of the Budget concurs, the staff and other resources available to the Council under title I is inadequate to carry out its functions. For this purpose, the Council's annual appropriations are now limited to $300,000 by section 401 of the act.

Before discussing in greater detail the need for greater financial resources, I believe it would be helpful to you if I discussed the present organization and staffing of the Water Resources Council staff and present arrangements for providing necessary inputs in implementation of the Water Resources Planning Act.

Water Resources Council staff.—Under the Council's rules and regulations, the Executive Director acts as the principal executive officer for the Council and head of the Water Resources Council staff. He is appointed by and serves at the pleasure of the Council members.

Among other duties, the Council's rules and regulations provide that the Executive Director shall insure that "the quality of the work of the staff in its studies, reports and in other assignments is high, that the professional integrity of its personnel is respected, and that its overall perspective and independence of judgment * * * is appropriately maintained within the context of the interagency, intergovernmental and other staff collaboration that is both necessary and desirable in fulfillment of the purposes of the Council * * *."

The personnel selection policy established by the Council calls for a "balanced ticket" as between professions pertinent to water and related land resources matters; as regards prior Federal agency affiliations; as well as Federal service in comparison to experience in State or local government, private enterprise and university teaching and research.

My training is as an economist and my prior experience in Government in the natural resources field was in the Department of the Interior as well as in research outside Government with Resources for the Future, Inc.

The Deputy Director, Reuben Johnson, is a civil engineer with 24 years' experience in the Corps of Engineers. His most recent corps assignment, before coming with the Council, was Chief of the Planning Division, U.S. Army Engineer Division, South Pacific, at San Francisco.

The Assistant Director for Planning and Research Adviser, Harry Steele, is an economist with 31 years' service in the Department of Agriculture. Prior to joining the Council staff, Mr. Steele was Chief of the Natural Resources Economics Division of Agriculture's Economic Research Service. He has long been associated with water and related

land resource planning, both in the field and in Washington; and in 1952 he was Assistant Executive Director of the President's Missouri Basin Survey Commission.

Parenthetically, I would like to point out here that Mr. Steele, in his role for the Council as research adviser, is a member of the Committee on Water Resources Research of the Federal Council for Science and Technology and Chairman of its Work Group on Research in Support of Water Resources Planning. In this role he brings knowledge from the water research community to the Council and makes that group aware of needed research from the point of view of the Council.

The Assistant Director for State Grants, Dr. Harold G. Wilm, has his professional training in forestry and watershed management. Dr. Wilm came to us from the State College of Forestry, Syracuse University, where he was associate dean. Previously, for some 7 years, he had been commissioner of conservation and chairman of the Water Resources Commission of the State of New York.

The Assistant Director for Policy and Legal Adviser is Philip M. Glick. Mr. Glick most recently has been a lawyer in private practice for some 13 years. Previously, he had extensive experience as a legal officer in the Department of State, Department of the Interior, and the Department of Agriculture. He is widely known as the author of the Standard State Soil Conservation District Act—largely followed by all 50 States in authorizing the establishment of soil conservation districts.

Parenthetically, I would like to point out here that Mr. Glick in his role for the Council as legal adviser advises on all legal problems arising under and relating to the Water Resources Planning Act.

The other professional members of the Water Resources Council staff are similarly varied in their professional training and experience.

I would like now to go into the staff work and how it is organized.

Work preparatory to exercise of Council's functions, other than under title III.—Work preparatory to exercise of the Council's functions, other than under title III, is largely conducted at the present time within the context of three administrative groups: The Planning Committee, Policy Committee, and a Task Force on Institutional Arrangements for River Basin Management. Representatives of member departments and agencies serve on each of these groups and their chairmen are, respectively, the Assistant Director for Planning and Research Adviser, the Assistant Director for Policy and Legal Adviser, and the Deputy Director.

To advise the Council in connection with its functions on a more technical level, and to provide needed technical coordination among departments and agencies, the Council sponsors four technical committees whose members largely are employees of member departments and agencies and are named by them: Hydrology, sedimentation, economics, and vector control—the last relating to disease-bearing mosquitoes. The chairmanship rotates among the members. For these technical committees the Council now provides only a place to meet, modest consultant and clerical services and in some instances meets modest requirements for reproduction of their technical bulletins and reports.

In December 1967, for example, the Council published a uniform technique for determining flood flow frequencies. Lack of uniformity

on this technical subject has long caused confusion among Federal, State, and local agencies. The Council's Hydrology Committee, composed of 10 top hydrologists within the Federal Government assisted by two outside consultants, did an outstanding job in producing this greatly needed report which the Council adopted. Other work of this nature is underway in the technical committees.

Now, I would like to discuss briefly the various functions of the Council, but under the heading of the organizational arrangements that I have set forth.

In performance of work preparatory to exercise by the Council of four of the functions identified by Mr. Holum, the Assistant Director for Planning and Research Adviser and the Planning Committee are now assisted by three WRC professional staff members.

The first function noted was the national assessment, and our work on that has already been explained to you. I would only like to add here that the Council could only afford to allocate one man-year of professional time, in addition to the part-time contribution of the Assistant Director, to this major and important task.

If it were not for the nonreimbursible loan of personnel and technical and editorial assistance, from member agencies, preparation of most chapters in the member agencies and in field groups, in which State personnel also participated, and defrayal of costs for drafting of charts and maps and for printing by the member agencies, publication in the near future of the First National Assessment would not be possible under present fiscal arrangements.

The Council anticipates that research undertaken under auspices other than the Council will provide markedly improved technical methods of preparing national assessments in the future. Also, because our first effort has shown clearly that substantial improvements are needed in the Nation's water use data, the Council has already organized a work group, aided for a short time by two outside consultants, to make a preliminary investigation of this important problem.

In addition to a modest number of permanent WRC professional staff for this function in future years, temporary professional and editorial help funded by the Council, plus funds to hire computer time to make necessary analyses, will be needed during the next period of assessment preparation.

Third function—Establishment of planning principles, standards and procedures: Secretary Holum on behalf of Secretary Udall, already has noted our work in this area today. Approximately one-fourth man-year of professional WRC staff time, in addition to the part-time contribution of the Assistant Director, is now devoted to to development of principles, standards and procedures—and this has had to be confined to flood plain planning analysis. Fortunately, as Chairman Udall indicated, the principles, standards and procedures approved by the President on May 15, 1962, as supplemented and amended, are in full force and effect.

Background staff work on the matter of discount rates, which Chairman Udall discussed, is being performed almost entirely by the Council's economics committee.

A very few highly qualified professional staff members could enable the Council to make very worthwhile and substantial progress in the conduct of this function. Work of this type could make a very substantial contribution to improved planning in the field.

Also, I might add in this connection that training of planning personnel—both Federal personnel in the field as well as State professional personnel—could contribute substantially to improved planning. Shortage of adequately trained personnel appears to be the chief stumbling block at the present time facing State agencies in developing their competence with the aid of title III funds. A number of these agencies are utilizing the training provisions of title III to help themselves in this regard. Federal agencies, of course, have authority and funds for training their personnel. And the universities, speaking through the universities Council on Water Resources, have expressed their ability and willingness to make their contributions in this regard. Nevertheles, there is need for a sharp focus to bring these efforts together and to effectively match a competent supply of personnel with the potential demand. The Council has been thinking of its appropriate role in this situation as one of a catalyst and coordinator. No action has yet been taken because of preoccupation of staff with other important matters.

Fourth function—Coordination of comprehensive planning schedules, budgets and programs: Chairman Udall's statement also indicated in his testimony the 10 large-basin comprehensive framework studies and the 15 small basin more detailed comprehensive studies that are now underway.

Budgets for comprehensive studies coordinated by the Council are formulated initially in the field by the appropriate Federal-State coordinating group in each area. Each such field-coordinated budget is then reviewed and approved by the Council and submitted to the Bureau of the Budget for its consideration when acting upon the individual budgets of each participating department and agency. During the life of a study, each budget is reviewed annually in accordance with general guidelines of the Council by the field coordinating group with a view to proposing any necessary reallocations of effort or other adjustments. For example, the coordinated budget for the Columbia-North Pacific Comprehensive Study is now reviewed each year by the new Pacific Northwest River Basins Commission. Proposed changes are considered and approved by the Council and then submitted to the Bureau of the Budget.

The aim of this coordination process is to avoid duplication of effort between the several participating Federal departments and agencies, to achieve a balanced planning effort in terms of their respective responsibilities and capabilities, and to assure so far as possible that all related planning adds up properly and that the total makes sense. The aim also is to avoid duplication with State and other non-Federal planning activities and to identify specific inputs that non-Federal entities are able to make to these studies. These inputs are now supported, in part, by financial grants from the Council provided under title III of the Water Resources Planning Act. As contemplated by that act, comprehensive river basin studies coordinated by the Council will increasingly include planning aimed toward desirable non-Federal actions in addition to Federal projects.

Only 1 man-year of the Council's professional staff time, in addition to the contribution of the Assistant Director, can now be devoted to this important work. A modest increase would pay for itself several times over in better planned studies and coordinated budgets.

In this connection, I would also like to mention another funding problem. All comprehensive planning studies require economic projections well into the future for the basin or basins that they cover, to provide a basis for determining long-run water and related land resource requirements. Predating the Council, arrangements were made for consistent professional preparation of necessary projections through the joint effort of the Office of Business Economics of the Department of Commerce and the Economic Research Service of the Department of Agriculture. The funds in support of this effort become charges upon the appropriations of the several other Federal agencies participating in the studies. The Council's periodic national assessments also require such economic projections for a base year covering all regions of the country. No decision has yet been made, but the Council has under consideration alternative means to finance preparation of these projections in the future that might be more efficient and less cumbersome. One of these alternatives is for the Council itself to provide the necessary funds to meet the marginal costs of OBE–ERS in preparing the required projections out of appropriations made available to it. Without change in the authorization of title I funds, this alternative is not possible of adoption.

Fifth function—Review of comprehensive planning studies completed in the field: Mr. Udall's statement also included where we stood on this matter, with one large study coming in in July, and as I indicated here, two studies already before us from the Council for the Sabine River and Pascagoula River Basin. For this effort, at the present time, we only have three-fourths of a man-year of professional staff time devoted to this work. As the studies now underway in the field are completed, increased staff time must be devoted during fiscal year 1969 and subsequent years to this very important fifth function.

Now, I would like to shift to the functions associated with the Assistant Director for Policy and Legal Adviser, and the Policy Committee. In performance of work preparatory to exercise by the Council of its second function—policy development—the Assistant Director for Policy and Legal Adviser and the Policy Committee are now assisted by only one WRC professional staff member.

As has been pointed out to you, the Council has initiated studies of current Federal policies with regard to the sharing of costs between the Federal Government and non-Federal interests for flood control and water quality investments in Federal and federally assisted projects. "The aim of the Council in both instances," Secretary Udall said, "is to discover improved cost-sharing policies that would be practicable to administer and appropriate to recommend to the President for transmission to the 91st Congress in its first session." Also, he noted that review will be undertaken to the extent permitted by the availability of time and staff of experience with the cost-sharing provisions of the Federal Water Projects Recreation Act and other water and related land resource legislation.

I should like to add to these tasks the work the Council is undertaking in considering proposed legislation, both that which is initiated in the Congress and that proposed by the executive branch to the Congress. The Council has been highly selective among the many legislative proposals that it could consider, and has confined its consideration largely to those that relate to two or more Federal depart-

ments and agencies. The proposed Flood Insurance Act, currently before the Congress, is an example of a bill on which the Council usefully worked before the administration's report was transmitted to the Congress. Besides the Department of Housing and Urban Development which would administer the flood insurance program, certain of the provisions of the bill relate to the work of the Departments of the Army, Agriculture, and the Interior.

Of necessity, of course, the Council must consider proposed legislation that would involve an addition, I might even just say a change, to its own functions. For example, S. 2564, now before the Joint Committee on Atomic Energy, provides that the Atomic Energy Commission, prior to determining whether or not a license for a nuclear powerplant shall be issued, shall request the advice of the Water Resources Council regarding "the compatibility of the proposed facility with any comprehensive, coordinated joint plan for water and related land resources development which has been approved for a region, river basin, or group of river basins in which such facility is to be located."

The Council's legislative reports, like those of all Federal departments and agencies, are cleared with the Bureau of the Budget before they are transmitted to the Congress. Thus, the role of the Council in this field does not infringe upon the longstanding role of the Bureau of the Budget. What the Council usefully adds, in my opinion, to the process of consideration within the executive branch is face-to-face interdepartmental consideration in an effort to identify oversights, improve clarity, and overcome any interdepartmental disagreements. Such useful face-to-face consideration is not normally a part of the clearance procedure of the Bureau of the Budget.

Because the Assistant Director for Policy and legal adviser is now preoccupied for half his time, at least, with the next matter I will discuss, with title III, and with other legal matters, his professional input to policy development along with that of his one professional assistant is clearly inadequate to meet the Council's needs.

To make up for this present deficiency, the Council has called upon staff in the several Federal departments and agencies associated in its work to perform necessary staff work. Such assistance will always be useful and desirable. Necessary competence on particular matters might not otherwise be possible to procure. Nevertheless, greater WRC professional staff is clearly required.

Next, we shift to the Deputy Director and the Task Force on Institutional Arrangements for River Basin Management.

Institutional arrangements for river basin management, as has been noted, also come within the Council's second function implementing section 102(d) of the act. In addition to his duties of assisting the Executive Director in overall management of the WRC staff and of sharing with him and the administrative officer and Council secretary, the staff burden relating to the Council's sixth function—responsibilities regarding creation, operation, and termination of Federal-State river basin commissions, the Deputy Director is Chairman of the Council's Task Force on Institutional Arrangements for River Basin Management. He is assisted in this role by the Assistant Director for Policy and legal adviser.

You will recall in Chairman Udall's testimony, at the present time we are making an appraisal of proposed Federal-interstate compact

commissions for management of water and related land resources within river basins. He mentioned in this regard the proposed compacts for the Susquehanna, Potomac, and Hudson River basins.

Presumably, the establishment of concerted basic policy views within the executive branch on this subject will not require substantial concern by the Deputy Director indefinitely. Nevertheless, our intensive experience with problems in connection with river basin compact negotiation and consent legislation, as well as Federal representation in connection with existing compacts, has raised questions about the adequacy of present Federal attention and the need for greater Federal continuous focus.

I would like to summarize the effect of what I have said in financial terms.

To summarize, the total WRC professional staff now available to perform all of the work outlined to you this morning under title I of the act is eight men. This number includes the Executive Director, the Deputy Director, and the legal adviser who, along with the administrative officer and Council secretary, must also involve themselves as required with the financial grant program of title III.

For fiscal year 1968 the Congress appropriated $290,000 in support of the Council's six functions under title I. The budget proposal for fiscal year 1969, now before the Congress for consideration, totals $311,000. The increase over fiscal year 1968 is due solely to the initial impact of the Federal Salary Act of 1967 and increased operating costs. If the present ceiling of $300,000 is not lifted, a cut in present staff work will be unavoidable.

The President's budget for fiscal year 1969 indicated that additional authorizing legislation would be proposed. By letter of February 24, 1968, the Chairman of the Water Resources Council transmitted to the President of the Senate, draft authorizing legislation, indicating that the Bureau of the Budget had advised the Council that enactment of the draft legislation would be consistent with the administration's objectives. S. 3058 embodies the provisions of the draft, as submitted.

In closing, I would just like to reiterate a statement in Chairman Udall's statement to you "that the Council has no ambition to have a large staff, nor otherwise have very large sums to administer." To have such, in my personal opinion, would tend to defeat the purpose of the Congress in establishing the Council. Nevertheless, I also believe that the financial resources now available to implement title I are clearly inadequate for proper performance of its appointed role and that the kind of flexibility in funding provided by S. 3058 would be highly desirable.

The Water Resources Council, as indicated by the testimony that you have heard this morning, has made substantial progress toward achievement of those things that you, Mr. Chairman, the committee and the Congress would appear to have had in mind with the enactment of the Water Resources Planning Act. With your continued support I am certain that the Water Resources Council can accomplish much more that is both useful and important, and within its appointed role, for the benefit of the American people.

Thank you, Mr. Chairman.

Senator ANDERSON. Thank you. You are asking for a raise in the limitation of $300,000.

Mr. CAULFIELD. The proposal before you, sir; would remove the limitation of $300,000.

Senator ANDERSON. How much of a burden is that now? You do not have enough money?

Mr. CAULFIELD. Pardon me?

Senator ANDERSON. You are $11,000 short?

Mr. CAULFIELD. At the present time, in terms of 1969, but we feel that in terms of the future, sir, the President should be in a position to be able to request more. It is not just the technical question of the $11,000 needed in terms of the 1969 budget, but further, the point that we have attempted to make in analysis of the Council's functions, is that we just do not have the critical minimum of staff needed to perform well the functions that Congress set out for us in the Water Resources Planning Act.

Senator ANDERSON. Senator Jordan?

Senator JORDAN. Thank you, Mr. Chairman.

I had hoped the Secretary would be here to help me orient myself to some of the programs that are going on here. First, let me say I approve wholeheartedly the work that is being done by the Water Resources Council under this act.

As you have indicated, Mr. Secretary, under title II, several river basin commissions have already been established at the request of the Governors of the concerned States. Such a commission has been established for the Pacific Northwest, under title II of the act—the Pacific Northwest Basin Commission—and it is operating very effectively. Mr. Charles W. Hoddy is chairman. The vice chairman is William S. Holden. He is also a member for Idaho.

Under the provisions of this act we are going forward in the Pacific Northwest, at least, with a comprehensive river basin plan. Repeatedly throughout your statements, both of you this morning have emphasized the need for comprehensive planning studies that require economic projections well into the future for the basin or basins that they cover in order to provide the basis for determining long run water and related land resource requirements.

I am leading up to a question now because I cannot understand how the Department in one instance can recommend thorough research and investigation of land and water resources and on the other hand come out with the wild rivers bill that completely counteracts the effect of the long-range studies that you recommend here.

In my State, for instance, the Department insists on including the Salmon River as a wild river, thus guaranteeing that this wholly Idaho River, which drains 30 percent of the water resources of my State, shall leave the State undiminished. You do not give time for the effects of these studies to be taken into account, for the great research that is already being set up and being implemented under this act to become effective. You prejudge the results and would determine, without the economic study that you have advocated here, that certain rivers will be so dedicated and removed from further study by the Wild Rivers Act.

Now, I would ask you, Mr. Secretary, in the instance of a conflict between making a thorough investigation, research joined in by the States and Federal Government with respect to the best uses for the waters of the river basin and related land resources, and a preemptory

judgment on that river that sets it aside, that guarantees that it be used for a single purpose use alone, where does the Department stand? For study or for the preemptive use of a river for a single purpose use before the studies are completed?

Mr. HOLUM. Senator Jordan, that is an excellent question and I share with you the wish that Secretary Udall were here to answer this for you. It may well be that he will want to supplement my answer for the record.

I think, however, that the two proposals are consistent. As far as the work of the river basin commissions is concerned and the comprehensive planning, it has also been recognized that we were going to go ahead and make decisions while this planning was going on. This committee has on occasion, with my enthusiastic support, authorized the construction of certain projects, and I think the planning is consistent with the attention of the Congress and the administration to the establishment of these commissions. I think it is also consistent with that principle that we make other decisions as needed, and that the wild rivers legislation does deserve careful consideration by the Congress.

Senator JORDAN. Would you agree with me that, where there is a conflict, it would be well to pause and give some consideration to a thorough research and study of the water resources and the related land resources that might be developed with the use of that water?

Mr. HOLUM. I am always in favor of studies, Senator Jordan. I would cite a case where I am more intimately familiar, the Potomac River, where after consideration, and I hope the Congress will in the near future act favorably upon it, the Department and the administration have recommended the creation of the Potomac National River, safeguarding this important riverway from Great Falls to Cumberland. But, I do think we have to make some decisions on current projects while these studies are going on, and certainly I know that Secretary Udall shares with you your enthusiasm for the work that Chairman Hoddy and his group are doing in the Pacific Northwest.

I think the Pacific Northwest River Basin Commission is off to an excellent start and that they are going to do a splendid job in the Pacific Northwest.

I do not think the enactment of the wild rivers legislation is inconsistent with that effort.

Senator JORDAN. Well, I am sure it is, Mr. Secretary, and if you will indulge me sometime in a private conference I will show you exactly how it is in conflict with what you are proposing here. If the Salmon River is included in the wild rivers bill, I see the end of the road. We do not need to go into all of these studies that you are talking about here because we will have dedicated our remaining water supply to a single-purpose use. We would just as well withdraw from the studies that go forward in the Columbia Basin. We will not need to study our water resources any more. You have already reached a judgment for us ahead of the studies that we hoped we could make.

Mr. HOLUM. I will be very happy, Senator Jordan, to have your views and I shall carry them back to the Secretary as you expressed them.

Senator JORDAN. He knows them already.

Senator ANDERSON. I think you ought to ask Secretary Udall.

Mr. HOLUM. I shall do that.

Senator ANDERSON. There is a conflict and we might as well face it.

Mr. HOLUM. I shall do so.

(The information requested is as follows:)

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 25, 1968.

Hon. CLINTON P. ANDERSON,
Chairman, Subcommittee on Water and Power Resources,
Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: I am pleased to respond to the matter raised by Senator Len B. Jordan in connection with Assistant Secretary Kenneth Holum's testimony before your subcommittee on April 22, 1968.

Senator Jordan indicated he believes there is a conflict between the comprehensive planning program conducted under the provisions of the Water Resources Planning Act (Public Law 89–80) and the proposal to designate certain wild or scenic rivers in accordance with pending legislation.

The comprehensive study now being directed by the Pacific Northwest River Basin Commission has, as the basic objective, the formulation of a framework plan to provide a broad guide to the best use or combination of uses of water and related land resources of the region to meet foreseeable short- and long-term needs. Consideration will be given to development and management, as well as the preservation of resources. These studies were initiated in 1966 and are scheduled to terminate in 1971.

From the inception of the comprehensive study program in 1963, it was understood that no moratorium was declared on ongoing water resources programs. The preparation of comprehensive plans has not deterred the submission of individual project reports to the Congress or the construction of projects in the regions under study.

In my view, the proposed scenic rivers legislation is quite compatible with the comprehensive study program, in that one of the goals of such legislation is to highlight those rivers known to have outstanding attributes worthy of preserving in their natural condition. This is in consonance with objectives of planning set forth in Senate Document No. 97, 87th Congress, 2d Session, "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources."

Senator Jordan specifically mentions the Salmon River in Idaho as being an example of a conflict between the comprehensive studies and the scenic rivers program. While I appreciate his views, I believe there are adequate data developed by a specific study to justify scenic river status for segments of the Salmon River. This stretch of the Salmon is one of the finest scenic rivers in the United States. As you know, the Salmon River was included in S. 119 passed by the Senate on August 9, 1967.

Thank you very much for the opportunity to supplement the record on this matter.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

Senator ANDERSON. Senator Moss?

Senator MOSS. Thank you, Mr. Chairman.

As I understand it, you are willing now to retain the ceiling on title II and title III as provided but wish to have no ceiling of expenditure at all on the title I functions.

Mr. HOLUM. That is correct.

Senator MOSS. Do you consider it wise to abandon the ceiling entirely rather than just ask for an increase of ceiling?

Mr. HOLUM. Senator Moss, that is the decision as I well know that the Congress always makes, but the Congress will have the opportunity, through the appropriations process, to review the requests of the Council for funding under title I. I think that our experience has demonstrated the good work that the Council has done up to

now, but it is a little difficult to predict what the funding requirements are going to be and what the needs are going to be on the part of the Council. I would like to suggest, as the legislation does, that no ceiling be imposed but that the Appropriations Committee continue to review these items as carefully as they have in the past.

Senator ANDERSON. Will the Senator yield?

Senator Moss. Certainly.

Senator ANDERSON. Will you try to submit these actual figures? If the personnel cost is just changed by $11,000, why do you not ask for that much ceiling on top of what you now have?

Mr. HOLUM. Principally because, Senator Anderson, and I think the Director, Mr. Caulfield, has done an excellent job of explaining it, and my own experience as the Department's representative on the Council has clearly indicated, that we not only need additional authority for funds to take care of the pay increase but the Council does need modest increases in its staff to do its work adequately.

Senator ANDERSON. Suggest exact language. I think it would be much better if you would.

Senator Moss. I noticed in both the Secretary's testimony which you presented, and that of Mr. Caulfield, there was a disclaimer of any desire to have a sizable staff, that is, a large staff, but nevertheless, we are confronted with going from a situation where we now have a ceiling to one of no ceiling at all, and I think you can see the political problem that that might present in persuading the Congress that this is a necessary thing to do. It would be so much simpler and more logical if you just increased the limitation amount. That is the only reason I raise this point.

Thank you, Mr. Chairman.

Mr. HOLUM. I understand.

Senator ANDERSON. Senator Burdick.

Senator BURDICK. Mr. Chairman, I arrived late and I will defer my cross-examination and read the testimony very carefully.

Senator ANDERSON. I do hope you will try to answer the points that Senator Jordan made.

Mr. HOLUM. I certainly shall.

Senator ANDERSON. The Secretary ought to answer himself.

Thank you very much.

Will you answer four or five questions now?

Mr. VERKLER. The ones that are on the paper.

Senator ANDERSON. The staff of the committee has prepared some questions and I wish you would read the question and supply the answer to it. Read the question, please, and then supply the answer.

Mr. HOLUM. "The Director of the Water Resources Council has testified before the Senate Appropriations Committee that future editions of the national assessment might require greater staff input. Is it possible to predict the magnitude of the necessary expansion of the Council's staff at this time?"

Mr. CAULFIELD. As I indicated in my statement with regard to the "national assessment," the way I conceive of the staffing problem is that we need a very few people—my present judgment is three professional staff people who are all the time in the employ of the Council—working on national assessments during the period of preparation, intensive preparation, as well as developing the methods and developing

the work and improving the plans for national assessments in the interim between the intensive peak periods. And then, we need enough money to hire temporary staff, consultants and computer time in the periods of intensive activity to come out every 2 or 3 years—whatever the requirements are—to come out with a periodic national assessment.

Now, we have a continuing problem of funding for the national assessment as well as the peak problem, and that is the problem we have in financing in this particular activity.

Senator ANDERSON. You could specify jobs and could not specify dollars. I think you ought to try to put in the proposal exactly what you really want.

Mr. HOLUM. The second question is, "In reviewing principles, standards, and procedures for the planning of water resource projects, such as the appropriate interest rate, the Council utilizes committees and work groups composed of personnel from other agencies. This insures the consideration of the various problems and viewpoints of the agencies involved, but it fragments the research and administrative support among staff personnel of those agencies who are not directly responsible to the Council. Will additional administrative and lower grade technical support be necesasry to facilitate the performance of this function?"

Mr. CAULFIELD. If I get the thrust of the question properly, I would say that the need for the staff of the Council is because we do not have what I referred to before, as a critical minimum of staff. We have to call upon the agencies too often for doing, literally, staff work for the Council. This is not to say that the agencies should not participate, and even including staff work, in the work of the Council. I think it is highly desirable that they do so. Otherwise we would get a divorce between Council staff and the agencies. We are not seeking that, because I do not think you can have an effective Council without intimate relationship between the staff of the departments and the staff of the Council.

The point is that the Council needs additional administrative and lower grade technical support—I would say really the problem is one of higher grade professional support, grade 14's and 15's, with the necessary secretaries, and so forth, to go with that. The type of work that grades 14 and 15 perform in professional activity is the critical element in the staff work for the Council.

I hope that is responsive to the question.

Senator ANDERSON. No. 3.

Mr. HOLUM. Question 3, "the comprehensive river basin studies are participated in by a number of Federal agencies. The total budget for the effort is reviewed by the Council, but portions of the funds are included in the budget requests of a number of agencies which come before different appropriations subcommittees. The situation is further complicated by contractual arrangements and fund transfers among the agencies involved. Is it advisable in the future to consolidate some part of the comprehensive river basin funds under the Council's budget request?"

Mr. CAULFIELD. We, the Council and the Bureau of the Budget, have not given consideration to the question of whether the appropriations for comprehensive river basin studies should be made to the Council

for suballocation, although various people have mentioned the possibility of it. One of the problems has been in the past that—back before the time of the Council—that the Administration endeavored to consolidate these budgets so that there would not be money transferred between agencies, and so that each agency would ask for its own funds. The Congress did not see fit to go along with that Administration proposal a couple of years ago. The Appropriations Committee did not see fit to go along with that effort, that simplification of the budget process.

This was some years ago, about 5 years ago or so. So, we have the present procedure of having the budgets go to the Congress the way the Congress wanted them to go but trying to have the coordination within the executive branch so that the budgets which are to go to the individual committees will be coordinated and will make sense as a total.

Now, I would not care to offer an opinion on the exact question, namely, whether the Council should have this money appropriated to it and then distribute it, as it were, to the agencies, without more reflection and discussion in the Council. That would be a major change in our whole structure of appropriations. The Budget Bureau would be very much concerned with that. It would be difficult for me to offer an opinion at this time on that direct question.

Senator ANDERSON. You may not like what the Congress has done, but do you not think you ought to follow what the Congress has done?

Mr. HOLUM. Pardon me?

Senator ANDERSON. The Congress has laid out certain requirements here. Why should not the Congress be your guiding light?

Mr. CAULFIELD. Well, it is, sir, and that is how we are acting now. This is the way we understand the budgets are handled, by the several Subcommittees on Appropriations of the House and Senate; and we present a coordinated budget. We have a single document which expresses the coordinated budget as a whole.

In my testimony before the House Public Works Committee on Appropriations this year, for example, I presented to that subcommittee the coordinated budget for all the comprehensive studies, even though the money that is in that budget for, say, the Department of Agriculture, goes before a different subcommittee of the House Appropriations Committee, and likewise in the Senate. But there is one committee, namely, the Committee on Public Works, that the Council goes before which sees the budget as a whole.

Now, exactly how that subcommittee handles itself in relation to the other subcommittees, both in the House and Senate, I am not, of course, aware or competent to discuss.

Senator ANDERSON. Question No. 4.

Mr. HOLUM. "In general, what other organizational problems have been noted in the Council's experience thus far?"

Mr. CAULFIELD. I think I have covered that pretty well in my statement.

Senator ANDERSON. I think you have.

Mr. CAULFIELD. I do not know exactly how to amplify that at this point. I think we have singled out the chief problem. We have not come before the Senate committee lightly with this bill. We have

waited until we were sure of what we needed. I tried to identify the critical problems. We feel this appropriation ceiling is a critical problem. We feel we really need to come before you with this matter of appropriations under title I. We will again come before you, I am sure, when we can identify other critical problems that are presented by the act.

Senator ANDERSON. Last question, No. 5.

Mr. HOLUM. The fifth question is the hard one. "If the committee should decide to retain an appropriation limitation on title I activities, what is the order of magnitude of the increase which would be necessary to provide for desirable organizational and budgetary changes within the foreseeable future as well as the immediate pay raise?"

Mr. CAULFIELD. I think the answer to that question, sir, is that I would have to furnish the answer later. This could not be given without consultation with the Bureau of the Budget, and if the committee wishes, I will undertake to do that, consult with the Bureau of the Budget and arrive at an answer for the committee.

Senator ANDERSON. I think you can testify if you want to without the Bureau of the Budget, but I will respect your feeling.

Mr. CAULFIELD. This is a money matter, sir.

Senator MOSS. That is what I was concerned about in my question, Mr. Chairman.

Mr. HOLUM. If I could sum it up, Mr. Chairman, and I think the Director has answered the questions appropriately, I think both the Director and the departments involved share what was contained in Secretary Udall's statement, an interest in Council staff, that it not be large, that it not deal with a great magnitude of funds and that the departments themselves be intimately involved, but I think it is critically important, and I think I can speak to this with some authority because I represent the Department on the Council of Representatives, that the Council have an adequate staff so that they can hear the views and the problems of the agencies that are members of the Council and prepare, for the Council's consideration, critical analyses of the problems that I identified, and do the central staff work.

Senator ANDERSON. As Senator Moss pointed out, you ought to specify how much you want and not have an open figure.

Mr. HOLUM. Yes.

(The information requested is as follows:)

An authorization ceiling that would meet the presently foreseen needs of the Water Resources Council could be provided by amending Section 401(a) of S. 3058, as follows:

"(a) not to exceed $1,500,000 annually to administer the provisions of titles I, II, III and IV: Provided, that not to exceed $400,000 shall be available to administer the provisions of title III; Provided Further, that not to exceed $1,100,000 shall be available to administer the provisions of titles I, II and IV after the expiration of title III; and"

This ceiling could provide for a total of 42 permanent positions. At present, 10 of these positions relate to the administration of Title III and only 14 positions (8 professional and 6 administrative and clerical) to administration of the other three titles, making a present ceiling total of 24 positions. Thus the ceiling would provide an additional 18 positions (10 professional and 8 administrative and clerical) for administration of Titles I, II and IV.

The presently estimated salary cost annually of 42 positions, including foreseeable salary increases	$741, 652
Other estimated costs are:	
Consultants (including fees for members of advisory bodies) and temporary personnel, other than for national assessment	25, 000
Office operating costs	258, 348
National assessment (authorization for extra costs in year of preparation for temporary employees, reimbursable services of agencies, computer time, and printing)	200, 000
Economic projections (for transfer to Commerce's Office of Business Economics and Agriculture's Economic Research Service. At present $600,000 annually is being transferred for this purpose from several Federal departments and agencies. If appropriations were made to Council, such several transfers would no longer be necessary. It is now believed that future marginal costs for this work should be less than in the past)	250, 000
Overhead costs in relation to Federal-State training	25, 000
Total	1, 500, 000

It is now anticipated that the additional staff work of the Water Resources Council, occasioned by establishment of the National Water Commission, would be able to be absorbed within the above authorization ceiling.

Senator Moss. I would like to ask one more question of Secretary Holum.

Reading Secretary Udall's testimony, you indicated that the Council is now reconsidering the formula for the cost of money for water projects. I would like to know if you can give us any interim report on that. This concerns me. I thought that legislatively we would finally come to the place where that formula was settled and I am a little surprised to find it is now under review to be changed and, as you quoted the President's message, the rate will be higher for the cost of money hereafter.

Mr. HOLUM. Senator Moss, the President, in his budget message to the Congress, did call for a reconsideration of the discount rate used in evaluating projects and the Council is in the process and I would like to underscore that what the President referred to is the discount rate used in evaluation of projects.

The Council has that responsibility under the Water Resources Planning Act and by direction of the President. They have that under consideration. They have only had, up to this time, preliminary discussions, but as Secretary Udall's statement noted, the act requires that arrangements be made for an appropriate consultation with all interested agencies before any final decision is reached by the Council or the President, and Secretary Udall's statement says that one of the methods that will be used, at least, is publication in the Federal Register prior to the time of decision.

Senator Moss. If there is a proposal to change the formula, will this apply all across the board on all water projects whether they be flood control or reclamation or water supply, no matter what?

Mr. HOLUM. Yes; Senator Moss, as it relates to project planning or project evaluation.

Senator ANDERSON. You must all remember that some years ago we learned that the Hoover Dam could not even have been built with the interest rate then proposed. Better be careful, I think.

Mr. HOLUM. We are well aware of the fact, Council members are, that this is a matter of critical importance.

Senator ANDERSON. Thank you very much, both of you for appearing.

Mr. Thompson, we are glad to have old friends back.

STATEMENT OF SAM THOMPSON, REPRESENTING INTERSTATE CONFERENCE ON WATER PROBLEMS, ACCOMPANIED BY CHARLES F. SCHWAN, JR.

Mr. THOMPSON. Thank you, Senator Anderson, it is good to be back about a subject that we both love and are very much interested in.

I have with me this morning Mr. Charles Schwan, a member of the Council of State Governments staff here in Washington.

Mr. Chairman, members of the subcommittee, my name is Sam Thompson. I am a member of the Mississippi Board of Water Commissioners. I am appearing here today, however, on behalf of the Interstate Conference on Water Problems, of which I am a past chairman.

For the record, Mr. Chairman, the Interstate Conference on Water Problems consists of official representatives of State government who have special responsibilities for or interests in water problems. Participants include water resources administrators, attorneys general, legislators, and State representatives on interstate water resources agencies.

As you know, Mr. Chairman, a proud chapter in the history of the Interstate Conference on Water Problems was the part it played in developing what was enacted ultimately as Public Law 89–80, the Water Resources Planning Act. We had the privilege of participating with you and other members and staff of the Committee on Interior and Insular Affairs in bringing about the enactment of what we regard as a piece of landmark legislation in water and related land resources conservation, development and utilization, and in Federal-State relations.

Our interest in this matter did not abate with the passage of Public Law 89–80. Indeed, to the extent it might have done so, the intent of the law would not have been fulfilled.

Taking up matters in reverse order, we understand that both for the current fiscal year and for the next, of 53 eligible jurisdictions, 51 have received or are applying for grants to assist them in developing comprehensive water resources plans under title III. This year requests exceeded appropriations. It is already evident that the same will be true for next year. We regard this grants-request relationship as evidence of at least two things. First, it is evident that title III was a wise enactment. Congress recognized a need for improving the State capability to plan for its water and land resources. Second, the States, similarly aware, have reacted enthusiastically and overwhelmingly to meet this need supported in part by Federal grants-in-aid.

The need for title II river basin commissions and the response of the States to the opportunity to participate with representatives of appropriate Federal agencies in basin-wide planning have been amply demonstrated, Mr. Chairman. There are now four active commissions, and, we understand that serious consideration is being given to the formation of five more.

Evidence of the continuing interest of the States in and of support for the concepts of the Water Resources Planning Act may be adduced from the National Conferences of State and Water Officials. The first such conference was held in Denver last September. The second will convene in Detroit in July. In Denver, in addition to the Federal representatives present, 48 States and the Commonwealth of Puerto Rico were represented. We hope to do as well in Detroit.

Mr. Chairman, the State interest in title I, the subject of this hearing, although indirect, is very great. We cannot ignore the significance to us of the duties assigned to the Water Resources Council by sections 102, 103, and 104. Among other things, the Council is required to prepare a biennial assessment "of the adequacy of supplies of water in each water resource region * * *." It must "maintain a continuing study of the relation of regional or river basin plans and programs to the requirements of larger regions * * *." It is directed to establish, "* * * principles, standards, and procedures for Federal participants in preparation of comprehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resources projects * * *." Finally, the Council is required to review river basin plans and make recommendations concerning them.

There are major responsibilities that the Congress has seen fit to place upon the Water Resources Council. At the State level, we are cognizant of their magnitude and of their significance to the States. We do not have to go beyond our selfish interest to urge that you amend the authorizing legislation for title I to permit an appropriation in excess of the current ceiling of $300,000. We are informed that the appropriation for the current year is $291,000, and to meet the mandate of the Federal Salary Act of 1967 would require an additional $11,000. In itself, the latter would break the ceiling. Increased operating costs, we are told, accounts for the balance of $10,000.

Mr. Chairman, this is a modest request—perhaps too modest in view of the Council's responsibilities. Indeed, if the overall fiscal situation ever eases, we should urge that your committee and the Committee on Appropriations consider increasing support for the entire effort represented by the Water Resources Planning Act. So far as the other ceilings established in title IV, and continued by S. 3058, we support their continuance for the time being.

To sum up, we support S. 3058 and respectfully request that the Subcommittee on Water and Power and the Committee on Interior and Insular Affairs report the bill with the recommendation that it do pass.

Senator ANDERSON. Thank you, Mr. Thompson. You have been a good friend up on Capitol Hill many long years. We are glad to have you here this morning.

Mr. THOMPSON. Thank you.

Senator ANDERSON. Senator Moss?

Senator Moss. Thank you, Mr. Chairman.

I do not have any questions, Mr. Thompson, but I do wish to welcome you before the committee again. It is always good to have you.

Senator ANDERSON. Senator Burdick?

Senator BURDICK. I want to thank Mr. Thompson for his testimony.

Mr. THOMPSON. Thank you, sir.

Senator ANDERSON. The committee has received a letter from H. Maurice Ahlquist, director of the Department of Water Resources of

the State of Washington in favor of this amendment. It will be included in the hearing record at this point.

(The letter referred to follows:)

WASHINGTON STATE DEPARTMENT OF WATER RESOURCES,
Olympia, April 5, 1968.

SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE,
Washington, D.C.
(Attention Senator Henry M. Jackson).

DEAR SENATOR AND MEMBERS OF THE INTERIOR AND INSULAR AFFAIRS COMMITTEE: The Director of Water Resources, acting under authority of Chapter 242, Laws of 1967, for and on behalf of the State of Washington, concurs with the amendment provided in S. 3058.

We sincerely hope that action by your committee will be favorable.

Very truly yours,

H. MAURICE AHLQUIST, *Director.*

Senator ANDERSON. This finishes the hearing unless there are other statements to be made.

If not, the hearing is concluded.

(Whereupon, at 11:20 a.m., the hearing was concluded.)

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