

SECURITY COSTS

BACKGROUND:

Following the attacks of September 11, 2001, the Bureau of Reclamation embarked upon an aggressive program to enhance the security of federal dams to protect the facilities against terrorist attacks. Based on historical precedent dating to World War II, the Bureau determined in 2002 that the costs of increased security measures should remain a non-reimbursable obligation of the federal government.

For FY 2003, the Bureau received \$28.4 million in the *Energy and Water Development Appropriations Act* (P.L. 108-7) and an additional \$25 million in supplemental appropriations. The Bureau also received \$28.5 million for increased security costs in the *Energy and Water Development Appropriations Act of 2004* (P.L. 108-137). NWRA in coordination with CREDA, APPA, and NRECA worked to get a bipartisan Senate letter, expressing our concerns. This March 25th, 2004 letter included the signatures of 3 Democrats and 8 Republicans.

Congress has spoken annually regarding treatment of these costs. In report language accompanying the *Energy and Water Development Appropriations Act of 2005* (P.L. 108-447), Congress recognized the dramatic increase in security needs and corresponding costs at Bureau facilities following the September 11, 2001 attacks on our country. Congress also recognized that the Bureau security posture “will not likely approach pre-September 11, 2001 levels for many years, if ever.” The conference committee then underscored its concern for the reimbursability of security costs by including the following directive to the Bureau:

“Reclamation shall provide a report to the conference no later than May 1, 2005, with a breakout of planned reimbursable and non-reimbursable security costs by project, by region. The conference directs the Commissioner [of Reclamation] not to begin the reimbursement process until the Congress provides direct instruction to do so.”

Nevertheless, the President’s FY 2006 budget directs the Bureau to recover \$18-20 million solely from one class of entities that benefit from these multi-purpose projects.

NWRA believes that the historic rationale established in the 1942 and 1943 Interior Department Appropriation Acts for treating costs of increased security at multi-purpose federal projects as non-reimbursable obligations of the federal government is still valid. A legal analysis outlining this rationale is contained in a February 5, 2002 letter to then-Assistant Secretary of Interior Bennett W. Raley.

NWRA POSITION:

To urge that all increased costs associated with ensuring security of federal multi-purpose project facilities and delivery systems in the aftermath of the events of September 11, 2001 be treated as non-reimbursable and that payment of such costs be funded through federal appropriations.

Federal multi-purpose projects and delivery systems were authorized by Congress to provide a wide range of significant benefits to millions of citizens in the United States; the costs of securing these facilities should continue to be a federal obligation.

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