

November 16, 2010

Michael L. Connor, Commissioner
Bureau of Reclamation
1849 C Street NW
Washington DC 20240

RE: Your Letter to Senator Feinstein on Long Term Solution to Westlands Drainage Problem

Dear Commissioner Connor:

I am writing you on behalf of the Environmental Working Group (EWG), an environmental research and advocacy organization with offices in Washington, D.C., California and Iowa. In a letter to Senator Dianne Feinstein dated September 1, 2010, you outlined a new proposal for selenium-tainted farmland in Westlands Water District.

We see some elements of the proposal as positive steps forward and other elements as highly problematic for both the environment and for taxpayers. But the purpose of this letter is not to critique your plan but rather to urge you to conduct a fair and complete economic analysis of the proposal, taking into account the cost of annual crop subsidies to the affected farms.

By analyzing U.S. Department of Agriculture data, EWG has found that substantial farm subsidies flow to farms in the selenium-impaired area within Westlands. Between 2005 and 2009, the federal government made \$22.4 million in so-called direct payments, which are subsidies based on historical production of commodity crops, and \$31.6 million in counter-cyclical payments, subsidies that fluctuate with the prices of agricultural commodities. Over five years, 356 individuals received \$54 million, an average of \$10.8 million per year in taxpayer money. (For more details, please see EWG's recent report "Throwing Good Money at Bad Land" available at: <http://ewg.org/Throwing-Good-Money-at-Bad-Land>)

Notably, when the Bureau of Reclamation conducted a National Economic Development analysis for its previous drainage proposal, it ignored taxpayer-funded crop subsidies. (See USBR's 2007 San Luis Drainage Feature Re-evaluation Record of Decision at: www.usbr.gov/mp/sccaosld/index.html) It's hard to understand why the Bureau overlooked these subsidy payments. The subsidy programs are well established and unlikely to disappear anytime soon. Recognizing the amounts of funding provided by federal agencies to encourage irrigation of these toxic lands is critical to fashioning a sensible long-term solution to the drainage problems.

EWG's calculations are actually conservative. The Bureau's National Economic Development (NED) analysis estimated the area that needed drainage at 253,894 acres within Westlands, plus another 44,106 retired acres. But Bureau maps accompanying this analysis showed only 220,000 acres (USBR 2007). The bureau has never explained this discrepancy. Despite our requests, it was unable to give EWG the underlying geographical information system (GIS) data used to produce the maps. For these reasons, EWG was able to calculate subsidies for only 220,000 of the 253,894 acres the agency says needs drainage.

EWG confined its analysis to the two most important types of crop subsidies --direct payments and counter-cyclical subsidies -- and did not consider 13 other kinds of farm subsidies, such as disaster payments and dairy subsidies amounting to another \$2 million per year.

Simply put, American taxpayers have a right to know exactly how much of their money the Bureau and other federal agencies propose to spend on Westlands' selenium-tainted lands. In 2007, the Bureau of Reclamation estimated that its recommended option would run \$10.2 million per year **in the red**, before farm subsidies were taken into account. When you add \$10.8 million in crop subsidies to the annual loss, the cost of continuing to farm Westlands' 250,000 troubled acres becomes exorbitant. While we are encouraged by your proposal to increase the number of acres to be permanently retired as part of a long-term solution, the fact it would still leave tens of thousands of acres in active irrigation means these policy problems will remain.

There is only one solution that makes sense for the great majority of Americans: retire the selenium-laced land from irrigated farming, transition this land to other uses that would be less costly to taxpayers and the environment and provide the nation more benefit. As you noted in your letter to Senator Feinstein, and as has been noted in the press, one could use the land to produce renewable energy – a valuable endeavor in which both Westlands and the U.S. Department of the Interior have expressed interest.

Unfortunately, many years of study have now made clear that Westlands' selenium-laced land simply cannot sustain irrigated farming at a reasonable cost to the taxpayers and with adequate protection for California's invaluable, fragile wildlife habitat.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Renee Sharp". The signature is written in dark ink on a white background.

Renee Sharp
California Director
Environmental Working Group

Cc: Don Glaser, Bureau of Reclamation
Sally Ericsson, Office of Management and Budget
Karen Schwinn, US EPA
Theresa Presser, US Geological Survey
Ryan Alexander, Taxpayers for Common Sense