

**Remarks of Secretary of the Interior Ken Salazar
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As prepared for delivery

Good morning.

It is an honor to be here at the Commonwealth Club.

With me here today is Deputy Secretary of the Interior David Hayes. Many of you know him. He is a champion for California's water, and has devoted much of his career to finding solutions to some of the nation's most difficult water challenges.

Also with me is Bureau of Reclamation Commissioner Mike Connor. His steady hand and common sense have helped settle century-old Indian water rights disputes, defused potential powder kegs, and put our nation on track toward healthier rivers and more secure water supplies.

Today, I want to talk about the debate raging in Washington, DC over the future of our country, and what it means for the water supplies we depend on in the West.

Americans are being presented two competing – and fundamentally different – visions of who we are as a people and how we tackle the economic challenges we face.

One vision is of an America where – when things get tough – we stand together, we work together, and we do big things together.

That's how we won our independence. It's how we defeated fascism. It's how we built the national park system, our highways, our dams, and the infrastructure that was once the envy of the world.

The other vision is of an America where – when things get tough – it’s everyone for themselves. It’s a place where we give up on the rules and standards that give us clean water, abundant wildlife, and open lands to hunt, hike, and fish. It’s a place where we cut taxes for the few and abandon the less fortunate among us, rather than make the investments we need to compete and win. It is a smaller America... a less confident America... with fewer dreams and less courage.

The struggle between these competing visions is being carried out in the battles over the President’s jobs plan and whether to renovate schools, fix roads, rebuild bridges, cut taxes for small businesses, and put first responders and teachers back to work.

The struggle between those visions for America is also being carried out in the arena of water in the West.

Never before have water agreements that provide security and certainty for Westerners been so at risk.

It’s a battle between pragmatism and ideology. Collaboration versus cynicism.

From the San Joaquin River and the California Bay Delta to the Klamath River Basin, a few passionate and unyielding players want to unravel decades of work to forge consensus, solutions, and settlements to some of the most complex water challenges of our time.

On the San Joaquin River, a few Members of Congress are bent on killing a restoration program that is restoring water flows to the river, bringing stability and certainty to agricultural users, and that will bring the first salmon runs in half a century.

In California’s Bay Delta, a plan to modernize and secure the State’s aging and inadequate water supply system is always the target of pot shots. Yet the bottom line is the health of the Delta is inextricably linked to the security of safe and reliable water supplies.

And in the Klamath River Basin, an historic settlement has moved us beyond the water wars of the early 2000s. There is real hope for a healthier basin and a stronger economy, yet even there naysayers are working to derail the deal.

I want to talk about each of these basins and why now is the time to stand firm – together. We must defend the hard-gained agreements and collaborations we have built over the last decade.

First, it's important to remember what is at stake.

I have worked on water issues my entire life. I know what happens when settlements break down and when promises are broken. You re-enter a cycle of litigation, gridlock, and paralysis.

They say whiskey's for drinking and water's for fighting, but that's not really the way of the West.

I grew up in Colorado's San Luis Valley. My family has farmed and ranched our land for five generations. Before that, we worked the land of northern New Mexico, since before the United States was even a country.

My parents taught me that our way of life depended on the health of the land, water, and wildlife around us.

They also taught us that it takes a community to be successful. It took many hands, and many years, to build the acequias and ditches that fed our crops.

And when I was Attorney General of Colorado, it took farmers, ranchers, water districts, and conservationists – all working together - to defeat a water grab that would have hurt our San Luis Valley. We worked together to protect our water supplies. And together in that effort, we even established Great Sand Dunes National Park.

It was true then, and it is true now: the challenges we face on water in the West are too big for any of us to 'go it alone.'

More and more, our futures are intertwined.

In California, more than 25 million people rely on the California Bay-Delta for clean drinking water, yet the state's water infrastructure was built for a population half as large.

Meanwhile, larger forces are placing even more strain on our system.

As a result of climate change, snowpack patterns are changing. Run-off is happening sooner. Wildlife is moving to different areas. Water managers are having to adjust. And we all worry how – over the long-term – more severe droughts and weather will affect our way of life.

We can't ignore this reality. It does no good to blame the scientists or bury our heads in the sand.

So let's talk about solutions.

Over the past two and a half years, we have made unprecedented progress on water settlements and river restorations throughout the West.

In November, 2010, President Obama signed into law four major Indian water rights settlements that resolve decades and decades of litigation. The settlements, totaling more than \$1 billion, will help deliver clean drinking water to Indian communities – such as the Crow in Montana, the White Mountain Apache in Arizona, and several Pueblos in New Mexico – while providing certainty to water users across the West.

And just this Saturday, I was at the Elwha River in northwest Washington, where we launched one of the largest river restorations in U.S. history.

We are poised to make historic progress on three other major water settlements here in California - provided we stand firm, together.

I want to talk about each of them, briefly.

Klamath River Basin

First, in the Klamath River Basin, severe drought and strain on the system exploded in 2001 with water shortages for agriculture and other users. It was followed in 2002 by the largest fish die off in the Basin's history, if not in U.S. history.

After years of litigation, the parties reached an agreement, signed in early 2010. Under that agreement, the parties are to undertake a comprehensive environmental and economic analysis of the impacts of removing four dams on the Klamath River.

The agreement, which the Obama Administration stands behind fully, sets up an open, transparent process for choosing the best path for the Klamath Basin. Science and public engagement are at the heart of the process.

That's why, for the past several months, the Department has been publicly releasing the individual science reports as they become final. The Draft Environmental Impact Statement, which compliments these scientific studies, will be available for public review and comment beginning Thursday.

The analysis and studies will say a few things.

First, they will show there are pluses and minuses to dam removal on the Klamath River. The studies estimate that dam removal would result in the loss of hydroelectric power generation and the loss of around 50 jobs from managing those facilities. It would also result in the loss of some recreational opportunities on the Klamath River reservoirs, and some decrease in property values for landowners nearby.

On the other hand, the watershed-wide restoration program that is proposed could add more than 4,600 jobs to the regional economy over 15 years, including around 1,400 during the year of dam removal. The studies say that the reliability in water supplies that would be gained would boost gross farm income and add between 70 and 695 jobs annually to the agricultural economy.

Moreover, Klamath restoration would help address tribal trust issues for the Klamath River Basin Tribes and would be beneficial to their water quality, fisheries, and traditional cultural practices.

The analysis also suggests there would be benefits to commercial salmon fishermen. It seems like more often than not in the last decade, there have been salmon fishery closures in California or Oregon.

With removal of the dams, though:

- coho would reclaim 68 miles of historical habitat;
- steelhead, the Klamath River's most popular sport fishery, would regain 420 miles of historical habitat; and
- commercially harvested Chinook salmon production would increase by more than 80 percent .

All together, eleven coastal counties in Oregon and California would see gains of more than 400 jobs as a result of improved fishing conditions.

Those are significant numbers.

But we will also be looking closely at the cost of the restoration.

The analysis that will be available Thursday will show that the most probable cost of removing the four dams is around \$290 million in 2020 dollars, which is below the \$450 million state cost cap identified in the KHSA.

To date, we have maintained a very public process. But we need the continued input of the public and local communities on the draft EIS.

Their voices – and all of the economic, environmental, and scientific information we have gathered - will be critical as I approach my decision on dam removal in the Klamath River Basin in March, 2012.

San Joaquin River

The second water settlement and river restoration I want to discuss is on the San Joaquin River.

The San Joaquin flows from the high Sierra Nevada into the San Francisco Bay. It is the lifeblood for some of the richest agricultural land in the nation. It also used to be home to magnificent salmon runs from the Pacific Ocean in the spring

Those runs disappeared, though, when the river stopped flowing half a century ago.

After 18 years of court battles that affected water districts, farmers, and other interests, the parties reached a settlement in 2006. Then, with the determined leadership of Senator Diane Feinstein, and the full support of the President, Congress endorsed and codified the settlement as part of the Omnibus Public Lands Act of 2009.

The San Joaquin River Restoration Program is remarkable. It's an example of a thoughtful and measured solution that balances the public interest for a vibrant river system and sustainable salmon populations, while minimizing or reducing impacts to farmers in the San Joaquin Valley.

And the program has achieved significant successes. With the exception of floods, this past year was the first time in half a century that the San Joaquin River ran from its headwaters to the ocean. This year, State and federal agencies showed that salmon can successfully migrate downstream through the restoration area. That's a great sign for the long-term success of the program.

These settlements, of course, take patience and flexibility from all parties. The San Joaquin settlement contains clear deadlines, but the two and a half years it took to pass the legislation have strained the timeline a bit.

Make no mistake: we will reintroduce spring-run salmon to the San Joaquin River, but full reintroduction may take a bit more time. Our professionals must complete brood stock collection, develop a conservation hatchery, and complete studies of tagged salmon to learn about their survival rates in the existing and restored channel.

We are conducting a scientific review right now to determine whether reintroduction of spring-run salmon as originally contemplated in the Settlement will need to be delayed. The partners in the settlement – including the Friant Water Users and NRDC – are working with us closely every step of the way.

The challenges we are facing affirm the need to be practical in our implementation of this settlement. They are NOT, however, a reason to back away from the settlement.

Yet, a few members of California's delegation in the House of Representatives are proposing a path to failure on the San Joaquin River. They are proposing to nullify the settlement or starve it of resources.

Killing the settlement would only lead to more litigation and more economic uncertainty. And renewed conflict would inject renewed chaos in the management of California's already over-stressed water resources.

For the benefit of all of us – farmers, industry, cities, fishermen – the San Joaquin River should flow again.

California Bay Delta

Finally, I want to talk briefly about the California Bay-Delta.

We all know the facts about the Bay-Delta.

Twenty-five million Californians rely on it for clean drinking water, yet the system that moves water through the Delta was built for a population half the size.

The system is at high risk of catastrophic failure if there is an earthquake, levee breaches, or natural disaster.

Moreover, the Bay-Delta itself is in a state of environmental collapse.

Fish populations in the delta have been declining for years. The delta smelt is at risk of extinction and the commercial and recreational salmon fishing season in California was closed for almost three years.

We are just now emerging from a severe drought in California, which resulted in painful pumping restrictions for farmers, industry, and many cities.

Today, we are in a far better place than we were when I came into office in 2009. Yes, we have been blessed with rainfall this year, and reservoir levels have risen.

But we have also made landmark progress on forging a sustainable, long-term solution for the Bay-Delta that meets the twin goals of improving the reliability of water supplies while restoring the health of the Delta.

In 2009, thanks to Recovery Act investments, we undertook more than \$400 million of water infrastructure projects in California to assist with drought relief, build fish screens, improve water re-use, and restore habitat.

Later today, we will dedicate one of those projects. The Contra Costa fish screen project will help prevent fish from entering the Contra Costa Canal through the Rock Slough intake.

The engineers, welders, and construction crews on the project are among the more than 5,000 people who have gone to work on water infrastructure projects in California thanks to the investments we made in the last two years.

These projects will make a difference, but they are only part of the long-term solution.

That solution is the Bay Delta Conservation Plan.

The Bay Delta Conservation Plan is the most important – and most complex – long-term water and habitat management plan ever undertaken.

The BDCP provides a comprehensive approach that includes new habitat for endangered fish species, coordinated measures to attack toxics that are fouling delta waters, and improvements to the state's water infrastructure.

Rather than simply pumping water from north to south through the Delta – which places immense strain on the system and is unreliable – a new conveyance system would reduce direct conflicts between water supply and fisheries, as the Delta Vision Blue Ribbon Task Force and many independent scientists have recommended.

This type of a comprehensive approach is long overdue. We simply must find a way to put California on a path to restore the delta and protect in-Delta interests - while also securing a more reliable water supply for its future. These are the “co-equal goals” required by the landmark law that the California legislature passed in 2009.

That's why, for the past two and a half years, my Department has committed a vast amount of energy to advancing the BDCP.

It was an effort that -frankly - the previous presidential administration ignored and neglected.

The State of California, however, has been a strong partner.

Governor Brown, Secretary John Laird, and others have further accelerated the good work we did with Governor Schwarzenegger.

We are now at a critical point for the Bay Delta Conservation Plan.

And our success, in my view, will depend on three basic things.

First, we have to remain faithful to the open, collaborative, and transparent process that brought the Bay Delta stakeholders together in the first place. Farmers, cities, counties, fishermen, and citizens from north to south all have a stake in the success of the BDCP. We must continue to find common ground, and stay focused on our shared interests.

Second, we have to invest in and rely upon the best science available to guide us. Moving millions of acre-feet of water through, under, or around the Bay Delta will be complicated. If we are to succeed, we need the best science from inside and outside of government. And we should not hesitate to have independent scientists review and validate what is planned. We have to get this right.

Third: we have to move quickly. Working with the State, we have set a timeline for completing the draft environmental analysis by June 2012. Our final plan will be complete by early 2013. David and Mike are in fact here today for meetings with state officials, water users, and NGOs to continue to push forward to meet that schedule and to produce a scientifically sound BDCP.

I'm confident that with their leadership, the leadership of the Brown Administration, and faithfulness to collaboration, openness, and science, we will get this done.

Conclusion

At the outset, I suggested that the Klamath, the San Joaquin, and the Bay Delta present the type of choice on water issues that our nation is facing in the economic arena.

It is a choice about who we are and how we meet the challenges of the day.

Has America become a place where it is every man and woman for themselves, or are we a nation that can still do big things? Are we cynics, or are we leaders? Can we still collaborate, innovate, and make the changes we want to see?

It is said that “when the well is dry, we learn the worth of water.”

So, too, do we value partnership and collaboration when cynicism and division prevails.

Now – more than ever - we must stand together. We must set aside partisanship and rancor, and rekindle the spirit of shared sacrifice and shared purpose that has lifted our nation in its darkest hours.

Failure is not an option. In Washington, Congress needs to pass the American Jobs Act and put people back to work right now.

And here in California, we need to rise to the water challenges we face. On the Klamath, on the San Joaquin, and in the Bay Delta, we have a chance to unleash the full potential of three powerful natural systems.

If we succeed, we can move beyond the water wars that have divided us. We can bring new jobs to farmers, fishermen, and workers across the state. And we can see a day when our children and grandchildren experience the force of three great American river systems, healthy again.

Let's get to work.

Thank you.