

Congress of the United States
House of Representatives
Washington, DC 20515-0301

March 15, 2016

The Honorable Mike Simpson
Chairman
Committee on Appropriations
Subcommittee on Energy and
Water Development, and Related
Agencies
U.S. House of Representatives
2362-B Rayburn HOB
Washington, DC 20515

The Honorable Marcy Kaptur
Ranking Member
Committee on Appropriations
Subcommittee on Energy and
Water Development, and Related
Agencies
U.S. House of Representatives
1016 Longworth HOB
Washington, DC 20515

RE: Reduction in Funding for Western Area Power Administration

Dear Chairman Simpson and Ranking Member Kaptur:

Over the past several months, we have heard from power customers in Arizona who have voiced concern over the operations of the Western Area Power Administration (WAPA), an agency under the Department of Energy (DOE). These concerns have focused on transparency of WAPA's budget and expenditures by it. There is a specific concern that WAPA's use of the "net zero" budget authority has diminished accountability to Congress and power customers alike. We are asking for your support in setting an appropriate level of the "net zero" budget authority for fiscal year 2017 for WAPA.

The "net zero" funding mechanism for WAPA remains an important tool for the marketing and transmission of hydropower from federal projects in the West. The power customers support the concept of the "net zero" funding mechanism, yet question whether the increasing expenditures authorized by "net zero" reflect an appropriate level of funding for the agency. This is an issue that has been raised in prior years and does not appear to be on a course for correction. In fact, many of the customers were shocked to learn from a Governmental Accountability Office (GAO) report that WAPA has carried forward unobligated funds in excess of levels that WAPA officials have admitted "was necessary to maintain certain activities and manage risk for those activities."¹ These funds have been carried forward as unobligated balances at a time when there has been a spike in annual expenses for WAPA headquarters operations.²

¹ Report to the Chairman, Committee on the Budget, House of Representatives, 2013 Sequestration and Shutdown, Selected Agencies Generally Managed Unobligated Balances in Reviewed Accounts but Balances Exceeded Target Levels in Two Accounts, October 2015, p. 25.

² Estimates of increases in headquarters expenses have ranged from 32% to 59% over the past several years.

The customers have explained to us that they have identified significant growth at headquarters operations and staff in recent years. This trend appears to continue for fiscal year 2017 with the request for an addition of 51 new FTEs within WAPA. Many of WAPA's customers have highlighted the fact that they have added one or two new employees to handle the same responsibilities that WAPA sees the need to address with nearly half of the proposed additional 51 FTEs.

With all of the concerns that have been raised, we are asking for your support and assistance in setting a funding level for the "net zero" appropriations at a level that is below the requested amount in the President's budget. While the administration has proposed a modest reduction in the "net zero" authority, we believe the funding level which was enacted in fiscal year 2014 represents a more appropriate funding level for WAPA. We therefore request that the Committee set the "net zero" funding authorization at \$203.989 million rather than requested level of \$211,563 million. Furthermore, in connection with the proposed "net zero" appropriation level of \$203.989 million, we ask the Subcommittee to refrain from appropriating any additional dollars to WAPA to account for the reduction in "net zero" spending authority.

Thank you for your consideration of this request.



Paul A. Gosar, D.D.S.
Member of Congress

Sincerely,



Martha McSally
Member of Congress



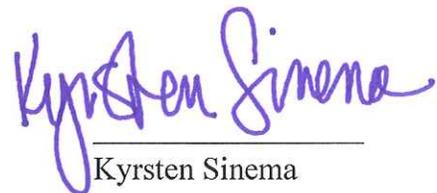
Trent Franks
Member of Congress



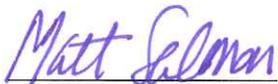
Ann Kirkpatrick
Member of Congress



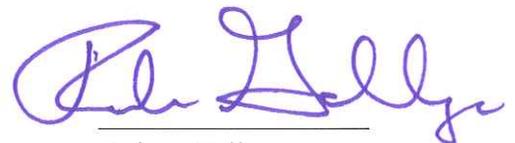
David Schweikert
Member of Congress



Kyrsten Sinema
Member of Congress



Matt Salmon
Member of Congress



Ruben Gallego
Member of Congress