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FERC RELICENSING STATEMENT

RE: FERC Project No. 2100, Oroville Hydro Power Facilities

On behalf of California Business Properties Association (CBPA) I want to thank the Commission for this opportunity to be able to address the vital importance of the Lake Oroville hydro power facilities in the state's overall economy.

By way of background, California Business Properties Association is the leading designated legislative advocate for the International Council of Shopping Centers (ICSC), the California chapters of the National Association of Industrial and Office Properties (NAIOP), the Associated Builders and Contractors of California (ABC), Commercial Real Estate Women (CREW) and the Institute of Real Estate Management (IREM). CBPA is one of the most successful voices for commercial property entrepreneurs of California, representing over 5,000 members.

CBPA proudly represents major land owners, developers, retailers, tenants, contractors, builders, lawyers, brokers, and individuals involved in all aspects of commercial industrial real estate.

I can tell you from firsthand experience that it is a difficult, time consuming and contentious process in this state to bring new water supplies on-line to meet the needs of our growing economy. That is why it is so important that we maintain the water supplies we currently have because we can't afford to lose any more ground.

The business community became actively involved in California water issues during the last drought, when regulatory constraints and naturally occurring water shortages put the state's economy and environment on a collision course. At our prompting, the state of California and the federal government developed the Bay Delta Accord to stabilize environmental resources in the Bay Delta and restore a measure of reliability to water supplies derived from the state and federal water projects.

From that agreement, we embarked on a lengthy public process known as the CalFed Bay Delta Program, which sought to develop and implement a long term, comprehensive solution to the environmental and water management conflicts that had long plagued the Bay Delta estuary. That process culminated last year in a Record of Decision between the state and federal government.

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This year we are working hard to get federal legislation passed to implement that agreement.

Over the past decade, we have seen well over one million acre feet of water, previously dedicated to use on farms and in the cities, reallocated for environmental purposes. A cornerstone of the CalFed solution is recognizing the need to develop more water storage. We are certainly not there yet, and we have a long way to go before we attain that critical goal.

In the meantime, we must draw a line in the sand and closely question any regulatory proceeding that would further reduce our current water supplies. The bar must be raised high to justify any such an action. The CalFed solution area encompasses the Feather River watershed, and any additional environmental actions contemplated by this relicensing must not be duplicative of those efforts.

Californians have invested more than $9 billion in the State Water Project, a significant portion of which went to building Lake Oroville and the associated hydro power facilities. Today, more than 30 years after the first deliveries from the Project were made to the Bay Area, we still do not have the full supply developed.

An adequate supply of high-quality water is one of the key priorities of the California business community. Actions taken in this relicensing process will not affect just the immediate Oroville area, but will resonate throughout most of California. This process must fully weigh its actions in light of their potential negative impacts. California cannot afford to lose any more water due to regulatory fiat.

Thank you for your consideration of this information.

Sincerely,

Rex Hime

REX S. HIME,
President and Chief Executive Officer