

## **Economic Stimulus Through Regulatory Flexibility**

By Dan Keppen  
Executive Director  
Family Farm Alliance  
Klamath Falls, Oregon

While it remains to be seen how history will remember the effectiveness of the massive economic stimulus package, I applaud the willingness of the Obama Administration and Congress to apply stimulus funding to the critical condition of aging water infrastructure in the Western United States.

One billion dollars in economic stimulus funding will go to projects and programs of the Bureau of Reclamation (Reclamation). This plan will fund some vitally important projects that will ensure the security of water supplies in several states.

Most of the projects funded by Reclamation will create (at least temporarily) jobs and put people to work in a time when employment has never been more important.

I also think stimulus funding and strong leadership should be directed in a way that saves the jobs for folks that are already working. Nowhere is there a riper opportunity to save tens of thousands of jobs through leadership, reason and flexibility than what currently exists here in California.

After 3 consecutive years of dry conditions - and due to mounting environmental restrictions that have moved water away from agricultural and towards fish like the Delta smelt - the allocation for California's Central Valley Project (CVP) agricultural water service contractors south of the Delta stands at a paltry ten percent. The impacts to growers on the West side of the San Joaquin and Sacramento Valleys will be severe, and ramifications will ripple through the rest of the state (and nation) as well. Thousands of acres are being fallowed, upwards of 30,000 farm workers will lose their jobs, and loss income in the San Joaquin Valley could exceed \$1 billion. The impacts will ripple outward, since a significant percentage of winter vegetables are grown in the Central Valley for consumption by the rest of the country.

Much of the recent crisis is driven by recent declines noted in some Bay-Delta fish populations. There appears to be no doubt that some Delta fish populations have plummeted, and it is equally clear that current methods of "recovery" are not working. Those efforts focus almost exclusively on operation of the state and federal water project pumps that pull water from the Delta and send it to Central Valley farms and Southern California.

Amazingly, there is no correlation between abundance of delta smelt and project export pumping activities. You cannot say with a straight face that those project operations are responsible for declines in delta smelt abundance. And yet... federal agencies like the

U.S. Fish and Wildlife Service (USFWS) continue to focus on those pumps, and the fish do not appear to be responding.

In the meantime, continuing environmental litigation is destroying Central Valley agriculture. Almost 300,000 acre-feet of water have been lost to the ocean since the first of the year instead of supplying the farms and homes it was intended to serve. This is in addition to the water that was lost last year due to these questionable environmental regulations.

It would appear that Congress and the Administration have an opportunity to provide some temporary economic relief in the form of legal or administrative proposals intended to give the benefit of doubt to hard working American farmers and farm labor while sound, long-term solutions to fisheries challenges are developed. The questionable science employed by USFWS in its recent Delta smelt opinion is justification enough for political leaders to take action to protect tens of thousands of farming jobs in California.

Political leadership and administrative flexibility can provide their own brand of economic stimulation. Many in the San Joaquin Valley had hoped that the Department of Interior would dedicate a balanced portion of the stimulus funding towards projects that would afford the operational flexibility for providing a reliable supply of water to meet the needs of distressed communities. That has not happened.

Perhaps it is not too late, however, to provide stimulus “in-lieu” of using federal funds and instead applying administrative and legislative regulatory relief to keep people working in the San Joaquin Valley.