Statement concerning the withdrawal of the Wahluke Slope area from the Columbia Basin Project, submitted by Earl Coe, chairman, Columbia Basin Commission, State of Washington, to the Atomic Energy Commission, May 7, 1958.

Gentlemen:

This is to bring up to date economic and other data concerning the effect of the continued withdrawal of the Wahluke Slope area from the Columbia Basin Project.

The gross area of 200,000 acres presently withdrawn in the restricted zone of the Wahluke Slope includes some 113,000 acres of irrigable lands which would be available for crop production. In effect, the 113,000 irrigable acres is withdrawn from the project, although 10,112 acres west of the Secondary Zone have been released. This acreage, however, cannot be served by the Bureau of Reclamation until adjoining acreage is returned to the project. Thus, approximately 10 percent of the estimated net project area of 1,029,000 acres is now closed to development by the restricted zones.

Reports by the Bureau of Reclamation and Washington State College state flatly that there is no finer land in the project than the Wahluke Slope. Its combination of excellent climate, fertile soil and adequate drainage is unmatched elsewhere in the project and in few other locations in the Pacific Northwest.

Out-of-pocket costs already incurred by the Bureau of Reclamation in project surveys on Wahluke Slope areas currently withheld from development amount to \$341,523.

The Wahluke Siphon has been constructed at the direction of the Congress, under terms of the 1957 Appropriation Act; to handle two thousand-second feet of water. This is the size which is adequate to serve all lands of the Wahluke Slope outside the control zone. Congress directed that all funds expended shall be reimbursable. However, it further directed.... "but repayment of those parts thereof and of other expenditures for said project which the Secretary finds properly allocable to irrigable lands located on the Wahluke Slope shall be deferred until they are no longer needed in connection with operations of the Atomic Energy Commission and have been irrigated".

Thus, while these costs are currently deferred as a charge against the construction cost limitation, it must be kept in mind that release of the lands would reverse this action and require that the deferred costs of the siphon be charged against the limitation, which currently is \$281,000,000 for irrigation construction.

Such action would reduce the money for future construction under the limitation by \$5,000,000 or \$6,000,000, the Bureau of Reclamation estimates.

Per-acre construction costs on the remainder of the project would be increased proportionately by the permanent withdrawal of these lands. Such increases would have to be paid by the power users of the region, as a ceiling on repayment obligations of the water users on the project has been set (\$281,000,000 for irrigation construction) in the contracts between the United States and the project irrigation districts.

Operation and maintenance charge increases, made necessary by the unavailability of the Wahluke Slope lands, however, would be borne by the water users on other portions of the project.

In the overall picture, the most significant loss due to eliminating the Wahluke Slope is that which would result from the reduction in agricultural income and unrealized settlement opportunities.

Natural conditions of the area would permit the production of highly valuable fruit and vegetable crops under intensive cultivation. The estimated annual value of crop and livestock production on the Wahluke Slope, with irrigation, is \$12,000,000, based on farm prices prevailing between 1947 and 1957. These benefits annually are several times the estimated annual construction costs which would be built to serve the area.

In a statement presented to the hearing on this matter, conducted at Richland, October 1, 1957, with Senator Henry M. Jackson as chairman, the Bureau of Reclamation estimated that the 113,000 irrigable acres in the area would contain some 1,053 farm units.

A population approximating between 12,000 and 20,000 persons, in towns, as well as on farms, can be supported by development of the Wahluke Slope.

The area would support canning and freezing and dairy industry processing plants.

It would bring in rail and other transportation facilities.

Both the East Columbia Basin Irrigation District and the South Columbia Basin Irrigation District contain land in the area, with the major portion, some 109,000 arable acres, lying in the South District.

This figure represents 27 percent of the irrigable acreage of the South District. The 109,000 acres in the Wahluke Slope compares with 94,981 acres the district had under water on May 30, 1958. By comparison, the South District had 71,471 acres in the development period and 20,411 in the testing period for a total of 91,882 acres available for water in 1957.

Of this amount, 39,711 acres was irrigated, producing \$3,807,916 in gross crop returns. This gross crop return was accomplished on lands generally of less productive capacity than the Wahluke Slope.

Without the Wahluke lands, the South District's development cannot proceed on a consolidated basis. Agricultural processing industries, especially, look to this area to provide vegetable and fruit crops which would be the basis for canning and freezing plants, taking crops from the entire project. Transportation facilities and service industries for the South District depend on development of these lands.

Concurrently, without this new agricultural and industrial wealth, the State of Washington and the local taxing districts would be without the tax base required to support roads, schools and other public services for the southern portion of the project.

We wish to urge that the commission give favorable consideration to release of the Wahluke Slope lands for development in the Columbia Basin Project.