

Roll Call

Congress

Powerful patrons duel over California projects in final spending package

Pelosi seeks Presidio park while McCarthy pursues Shasta Dam expansion

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Speaker Nancy Pelosi, and House Minority Leader Kevin McCarthy are pushing for this year's final spending bills to include projects for their home state of California. (Bill Clark/CQ Roll Call file photo)

The top Democratic and Republican leaders in the House are pushing for their own home-state projects in this year's final spending bills — a spectacular park overlooking San Francisco Bay and a dam across the largest reservoir in California — but without agreement from each other in the negotiations' final days.

The two items in dispute — the Presidio park project championed by Speaker Nancy Pelosi and the Shasta Dam expansion sought by House GOP leader Kevin McCarthy — are among some 200 disagreements that need to be resolved by leadership to finish up the appropriations legislation.

It is unclear whether McCarthy supports the Presidio initiative. But his fellow Californian Pelosi opposes the Shasta dam project, as do environmental groups and other Golden State Democrats. California Attorney General Xavier Becerra, a former member of House Democratic leadership, successfully filed suit to block the project from moving forward.

Nonetheless, McCarthy and other GOP lawmakers from central and Southern California are seeking funding for the dam enlargement in the fiscal 2020 Energy-Water appropriations bill, which was already rejected by House Democrats earlier in the year during a key committee vote.

Their push to rejuvenate the proposal on Capitol Hill comes as Pelosi is seeking language in the fiscal 2020 Interior-Environment measure that would allow the Presidio to access a \$10 million loan.

One senior GOP appropriator said the disagreement offers the opportunity for a trade, with Pelosi accepting the dam project in return for McCarthy going along with the Presidio initiative. “To me, that is what I would offer,” said Idaho Rep. Mike Simpson, who supports both projects.

“Nancy is very much opposed to [the dam-raising project],” added Simpson, the ranking Republican on the House Energy-Water Appropriations Subcommittee.

Democratic aides dismissed the idea of a trade, saying the projects have no connection to each other. One aide said McCarthy may be holding the Presidio loan “hostage” to his effort to include funding for Shasta.

“It looks like a perfectly good project,” Simpson said. “They want to raise the height of the Shasta dam to store more water. If there’s one place that needs more water, it’s California.”

In May, California Republican Ken Calvert offered an amendment to the fiscal 2020 Energy-Water bill in the Appropriations Committee to include the Shasta dam and reservoir enlargement project among others that would receive funding under a 2016 law aimed at providing incentives for innovative water financing projects.

It was defeated 22-30, after Energy-Water Subcommittee Chairwoman Marcy Kaptur called it a “poison pill” that could kill the underlying bill.

Congress approved \$20 million in pre-construction funding for the dam expansion in 2018. Calvert said his amendment would have made the project eligible to receive \$57 million recommended by the Interior Department.

Advocates for the dam project say it would allow the storing of more water for California farms and residents, and provide a cold water pool critical for maintaining fish populations in the Sacramento River. Opponents of the project say the expansion would violate state law, harm the salmon population and other wildlife, and flood areas sacred to a local Indian tribe.

Tied up in court

A California court settlement put the dam project on hold, a move that was applauded by Becerra and a coalition of environmental groups including the Golden State Salmon

Association. “This unlawful project would have hurt the McCloud River, and the communities and species that depend on it,” Becerra said in a statement after last month’s court decision.

Republicans say the project is backed by the Interior Department, however, and they could clear up the legal ambiguity by changing the law as part of the year-end bill.

During the House Appropriations markup in May, Simpson told the committee that the project was not being litigated when the bill was written. He said it was the only one out of 17 projects Interior said should get money not included by Democrats in the fiscal 2020 Energy-Water bill. “The fact is it was dropped,” Simpson said at the time. “That’s because it was a poison pill to at least one individual in Congress.”

He did not name the individual.

McCarthy, whose aides declined to comment on the matter, has been vocal in the past on pushing for money to enlarge the Shasta Dam. He helped secure \$20 million in the fiscal 2018 omnibus package for initial design and pre-construction activities.

“Following years of catastrophic drought, our state needs additional surface water storage to capture water during wet years for use during dry years. Raising Shasta Dam will provide a much-needed 630,000 acre-feet of additional storage, which is almost half of the average annual water consumption in the Bay Area,” McCarthy said in a September 2018 statement after Interior’s Bureau of Reclamation started exploratory work on the project.

“Shasta is a federally authorized project that has recently been appropriated,” a GOP House aide said, speaking on background. “If anything is holding up appropriations, it is a demand to fund a project that has far less impact on the lives of Californians.”

Over the years, congressional appropriators provided millions of dollars in initial funding to transform the former Presidio Army post in San Francisco into a national park. But as part of the effort, lawmakers created the Presidio Trust, a public-private partnership charged with operating the park without taxpayer support. The trust has been self-sufficient for seven years, though it has received special borrowing authority in the past.

The Presidio funding Pelosi seeks — a \$10 million loan to rehabilitate some 200 historic buildings on the property — wasn’t included in the House or Senate fiscal 2020 bills reported by the Interior-Environment subcommittees, which have jurisdiction.

A Democratic aide said the Trust is seeking additional loans after completing a comprehensive building and maintenance inventory, which raised concerns about it being able to afford rehabilitation and address deferred maintenance. The delay in rehabilitation has exposed the buildings to the elements, contributing to foundation failure, the aide said.

Pelosi aides declined to comment for the record. An aide to the speaker said the Presidio Trust requested a loan as part of conversations with Pelosi’s district office staff that began

last August. The Trust's board is made up of appointees named by President Donald Trump as well as former President Barack Obama.

House Appropriations Chairwoman Nita M. Lowey declined to comment Wednesday on the status of the California projects. "We'll see," the New York Democrat said after emerging from a meeting in Pelosi's office.

Jennifer Shutt contributed to this report.

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