

PAUL A. GOSAR, D.D.S.
FIRST DISTRICT, ARIZONA

**COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM**

SUBCOMMITTEES

VICE CHAIRMAN, HEALTH CARE, DISTRICT OF
COLUMBIA, CENSUS AND THE NATIONAL ARCHIVES

NATIONAL SECURITY, HOMELAND DEFENSE
AND FOREIGN OPERATIONS

GOVERNMENT ORGANIZATION, EFFICIENCY
AND FINANCIAL MANAGEMENT

**COMMITTEE ON
NATURAL RESOURCES**

SUBCOMMITTEES

ENERGY AND MINERALS

INDIAN AND ALASKA NATIVE AFFAIRS

WATER AND POWER



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

April 20, 2011

WASHINGTON, D.C.
504 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-2315
WWW.GOSAR.HOUSE.GOV

CASA GRANDE
211 NORTH FLORENCE STREET, #3
CASA GRANDE, AZ 85122
(520) 836-5289

FLAGSTAFF
1515 EAST CEDAR AVENUE, #A6
FLAGSTAFF, AZ 86004
(928) 214-6055

PRESCOTT
240 SOUTH MONTEZUMA STREET, #101
PRESCOTT, AZ 86303
(928) 445-1683

The Honorable Tom McClintock
Chairman
House Water and Power Subcommittee
1522 Longworth HOB
Washington, DC 20515

The Honorable Don Young
Chairman
Indian and Alaska Native Affairs Subcommittee
1337 Longworth HOB
Washington, DC 20515

Dear Chairmen McClintock and Young:

Since your Subcommittees have rightfully pursued policies to promote abundant water and power supplies and tribal energy development, we respectfully ask that you hold a hearing on an important matter impacting the Navajo Generating Station (NGS).

Located in northern Arizona, the NGS is a low-sulfur, coal-fired plant that provides 95% of the power to pump over 500 billion gallons annually of Colorado River water to Indian and non-Indian irrigation entities and municipalities through operation of the federal Central Arizona Project (CAP). In fact, deliveries currently meet 45% of the City of Phoenix's water needs and nearly 80% of the City of Tucson's water demand. The Bureau of Reclamation owns nearly 25% of the NGS, and revenues from the sale of excess power generated from the plant are used to repay the federal government for Arizona's share of the project. These revenues will also be used to help pay for the costs of Indian water rights settlements within Arizona. The plant also provides 500 well-paying jobs, almost 80% going to members of the Navajo Nation. In addition, the plant and the associated Kayenta coal mine provide \$137 million in revenue and wages to the Navajo Nation and about \$12 million annually to the Hopi Tribe, nearly 88 percent of their annual operating budget.

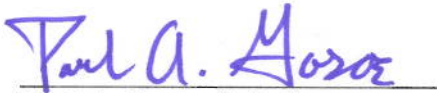
Despite these proven benefits and the clear federal nexus, the NGS is in danger of being closed down due to potential air visibility regulations. Under scenarios being pursued by the Environmental Protection Agency (EPA), requirements could impose up to \$1.2 billion in regulatory costs. This is almost 20 times more than proposals that would essentially accomplish the same thing. Compliance could be required within five years, placing the plant's economic

viability at risk. If the plant closed down, the entire State of Arizona would suffer through water and power rate increases and loss of jobs. Furthermore, Native American communities depending on coal development, water supplies and NGS revenue would bear a significant burden.

The NGS owners are committed to the continued long-term safe, reliable, and economical operation of the plant. They have been proactive in implementing environmental controls to ensure the plant meets ever-changing environmental regulations imposed by the federal government. At a time when long-term, good paying jobs are critical to our economic recovery, it would be devastating to our constituents and the State of Arizona to lose this important asset and its numerous benefits.

We urge you to hold a hearing on this situation as soon as practicable since the federal government plans to issue final regulations very soon. Thank you for your consideration of this request.

Sincerely,



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



Trent Franks
Member of Congress

cc: The Honorable Doc Hastings
Chairman, House Natural Resources Committee