

ORAL HISTORY INTERVIEWS

EDWARD OSANN



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Table of Contents

Table of Contents..... i

Statement of Donation..... iii

Introduction..... v

Oral History Interviews..... 1

 Background..... 1

 Getting Involved in Environmental Issues.. 2

 Working for the National Wildlife Federation
 3

 Focus on Water Resources Issues..... 5

 Cost Sharing Requirements for Water Projects
 8

 Lobbying Congress for Water Program
 Reforms..... 9

 Reforming Water Projects during the Reagan
 Administration..... 11

 Environmentalists and Taxpayer Groups Align
 16

 Victories over the Traditional Paradigm. . 18

 Reclamation's Resistance to Environmental
 Mitigation..... 20

 Working with Dan Beard..... 23

 Leaving the National Wildlife Federation. 25

 Environmental Movement's Concerns about
 Water Projects..... 27

 Impact of Environmental Legislation.. . . 29

 Water Conservation and the Plumbing Industry
 32

 Environmentalism Gains Recognition with
 Industry and Congress..... 36

 Rejects the idea of Working for the Foreign
 Service..... 38

Reasons for Joining Reclamation.. 39
Reclamation's Progress in the Transformation
..... 41
The Question of Transferring Titles of
Reclamation Facilities. 42
Effects of Reclamation's Restructuring. . . 44
Facilitating Water Transfers.. 45
Reclamation's Role in Mediating Disputes.48
Government Provides Processes. 50
Transitioning in the Regions and Tech Center
..... 50
Role of the Program Analysis Office. 53
Dan Beard's Impact on Reclamation. 56
Colorado River Salinity Control Program. 58
Overview of the Salinity Control Program.61
Reclamation's Upper Management
Responsibilities under Reorganization
..... 63
Role of Issue Managers. 68
Evaluating Reorganization Efforts.. 72
Problems with Formulating Cost Ceiling
Estimates. 75
Reviewing the Colorado River Salinity Control
Program. 77
Changes to Reclamation Programs under the
Reorganization. 82
Salinity Issues in Regards to the Water Treaty
with Mexico. 85
Budget Review Committee Process. 88
Difficulties in Changing Reclamation's Culture
..... 94
Twin Butte Dam and Dam Safety. 97
Dam Safety Preparedness. 100
Assisting Communities with Dam Safety Issues
..... 102

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Date: Sept. 1, 1975

By: E. R. Olson
Edward R. Olson

INTERVIEW:

Re: Allen Story

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Introduction

In 1988, Reclamation began to create a history program. While headquartered in Denver, the history program was developed as a bureau-wide program.

One component of Reclamation's history program is its oral history activity. The primary objectives of Reclamation's oral history activities are: preservation of historical data not normally available through Reclamation records (supplementing already available data on the whole range of Reclamation's history); making the preserved data available to researchers inside and outside Reclamation.

The senior historian of the Bureau of Reclamation developed and directs the oral history program. Questions, comments, and suggestions may be addressed to:

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For additional information about Reclamation's history program see:

www.usbr.gov/history

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**Oral History Interviews
Edward Osann**

Storey: This is Brit Allan Storey, senior historian of the Bureau of Reclamation, interviewing Edward Osann of the Bureau of Reclamation in his office in the Main Interior Building in Washington, D.C., on January 26, 1995, at about one o'clock in the afternoon. This is tape one. [Tape recorder turned off.] The time is about four-thirty in the afternoon instead of one o'clock in the afternoon.

Mr. Osann, I'd like to ask you where you were born and raised and educated and how you ultimately arrived at the Bureau of Reclamation.

Background

Osann: I was born in Elmhurst, Illinois, in 1948. My father was a patent lawyer, patent attorney. My mother, at that time, was a homemaker.

I lived in Illinois for about five years and moved to northwest Indiana, grew up in Porter County, Indiana, along the Lake Michigan shoreline. It's an area that has a lot of environmental amenities and a lot of environmental problems, and my parents were drawn to both the beauty of the place and concern for the issues involved in its protection. In the mid-fifties, they joined a small local conservation group called the Save the Dunes Council, working for protecting the Indiana Dunes and trying to add a portion of that area

to the National Park System. I grew up with concern for the environment and conservation about environmental issues around the dinner table.

I went to high school in Wisconsin to a boarding school in Beaver Dam, Wisconsin, and I went to college here in Washington at Georgetown. At that time, I thought I wanted to be in the Foreign Service, and I was in the School of Foreign Service at Georgetown, and I graduated in 1970. The Foreign Service program is a pretty good background, general background, for government and public policy, kind of a triple minor in history, government, and economics.

I went to G-W, George Washington [University], here in Washington, D.C., Graduate School in their Urban and Regional Planning Program. I started working part time and going to school part time and the graduate program kind of got strung out, so I didn't get my master's until 1977, early in '77.

Getting Involved in Environmental Issues

In 1973, while I was still in graduate school, I took an internship with an environmental group called the Izaak Walton League at their office in [Roslyn?], their national headquarters, and worked for Izaak Walton for a year.¹

1. The Izaak Walton League is headquartered in Gaithersburg, Maryland; for more information see "the Izaak (continued...)"

In 1974, I went to work for the Save the Dunes Council myself, the group that my parents had been involved with, and still were. I was their first paid employee. The council had been all volunteers up until that point. Actually, I think they set it up for me as a contractor as employee in the real sense of the employment prospect. I was their Washington representative, because they were interested in securing approval for legislation to enlarge the Indiana Dunes National Lakeshore, and I worked for the Council on that particular piece of legislation for three years, until it was enacted in 1976. I kind of worked myself out of a job.

But in 1976, Congress had—there was a major amendment to the Internal Revenue Code, and there was some clarification of the rules under which nonprofit organizations, C-3 organizations specifically, could engage in legislative activities, and following those changes in the law, the National Wildlife Federation sought to hire a couple new people to do legislative work for them. I was on a short list of three people for two positions and didn't make the cut. That was in probably January of 1977.

Working for the National Wildlife Federation

But within a month or so, they called me back, because the incoming administration,

1. (...continued)
Walton League of America," www.iwla.org (Accessed 8/12/2013).

President [Jimmy] Carter, had shown interest in initiating some reforms in the area of water projects and water policy, and the National Wildlife Federation felt a great stake in what the new administration was proposing, because they were quite receptive to curtailing expenditures on environmentally damaging water projects. The president announced a list of projects, the White House released a list of projects on which construction they want to curtail, curtail appropriations, I think in February of '77, and immediately it became apparent that this was going to be quite a political issue for the administration.² So the National Wildlife Federation, as well as other environmental groups, I think, recognized that there was a lot at stake.

The federation either had been involved or at that time was currently involved in litigation on about five or six of the projects that the president had identified as wanting to curtail out of, I think, the original list was eighteen or nineteen. So they very much wanted the

2. Jimmy Carter served as President of the United States from 1977 until 1981 after his election in 1976. Within a few weeks of the beginning of his administration, an internal discussion document accidentally fell into the hands of a reporter. The document proposed cancellation of a number of water projects considered environmentally or economically unsound. This proposal came to be known as Jimmy Carter's "hit list." This happened while Commissioner Daniel P. Beard worked in the Carter Administration, and he discussed his perspective on the issue in his Reclamation oral history interviews and in "The Passage of the Central Valley Project Improvement Act, 1991-1992: The Role of George Miller," an Oral History Interview by Malca Chall, 1996 for the Regional Oral History Office, Bancroft Library, University of California.

president to be successful, and as I said, they called me back in because they wanted to put some special emphasis in the area of water projects. So I was hired by the National Wildlife Federation in March or April of 1977. I ended up working for the National Wildlife Federation for sixteen years, all but about nine or ten months of that time working on water projects and water policy.

Focus on Water Resources Issues

Prior to that, my exposure to federal policies relating to water projects was somewhat limited and generally quite negative. In our corner of Indiana, the Corps of Engineers had been involved in promoting the port for detrap [phonetic] navigation right in the center of the Indiana Dunes to encourage industrial development. Their project had a lot of support from the Indiana public officials, and we could see the relationships that have been referred to as the "Iron Triangle," between interest groups, federal construction agency, and the Congress, working together to get more projects built and to overcome criticism of these kinds of proposals.³

During the time that I worked for the council here in Washington, just doing a little bit of networking around some of the other

3. For a more in-depth analysis of "iron triangles" in relationship to water resources development, see Daniel McCool, *Command of the Waters: Iron Triangles, Federal water Development, and Indian Water* (Tucson: University of Arizona Press, 1994).

environmental groups, I was a little bit aware of the controversy relating to Garrison Diversion Project in North Dakota. But other than that, I hadn't really focused on water resources development, but it became my full-time job when I went to work for the federation.

The kind of work that I did was to become more familiar with federal water resources development programs, the Bureau of Reclamation, Corps of Engineers program, a Small Water Shed program in the Department of Agriculture, the Tennessee Valley Authority program, and the licensing of non-federal hydro projects through the original Federal Power Commission.

Storey: FPC, yeah.

Osann: The Federal Energy Regulatory Commission. We also explored some of the issues relating to power marketing, the marketing of federally generated hydropower market administrations.

The structure at N-W-F [National Wildlife Federation] initially underwent some reorganization in the late seventies. Within maybe two or three years from the time I started with the Federation, they merged the divisions of the organization that—they merged the legal team with the other conservation advocacy staff and divided up the staff, that was probably around fifty people, into teams, or programs along topic lines, so that there was a fish and wildlife program, there was an energy and public lands program, an international

program. What am I missing here? For some reason, I'm drawing a blank on the fourth. And a water resources program. The fourth was kind of a pollution- and toxics-type program, dealing mostly with E-P-A [Environmental Protection Agency] regulatory programs. And then the water resources program. About 1980, I became the director of the water resources program, and that was a position I held up until about six months before I left the National Wildlife Federation.

So during this period from 1977 to 1993, it was essentially my job to represent the interests of the National Wildlife Federation and really to help articulate and define some of those interests with regard to the federal water resources development programs. Our membership, the membership of the National Wildlife Federation, is organized like a lot of non-government organizations. There is an annual meeting where representatives from the organizations in each of the states get together and consider policy issues and pass resolutions. The federation was literally a federation of fifty some-odd independent state-level organizations, and every year there would be two or three or four, sometimes five, resolutions relating to some aspect of water resources policy for some particular federal water project.

In the earlier years that I was at the federation, federal construction programs were active, and it was quite a clash with environmentalists around the country with

sportsmen, people who value hunting and fishing opportunities in undeveloped areas outdoors. In that work, we were involved in opposing a number of specific Reclamation projects—the Garrison Diversion; Oahe Project in South Dakota (of course, a lot of criticism on Oahe); the O'Neill Unit in Nebraska. We organized opposition to the North Loup Project in Nebraska; the Narrows in Colorado, definitely very controversial; Auburn Dam in California, the Bureau's version of Auburn; the Central Arizona Project, various aspects of the Central Arizona Project. We were involved in eliminating Orme Dam from the C-A-P concept, but then later we were involved in eliminating Cliff Dam from the concept for accommodating the elimination of Orem.

Cost Sharing Requirements for Water Projects

I was involved in an effort to establish cost-sharing requirements for the Reclamation Dam Safety Program, cost-sharing requirements for Reclamation construction. In the early 1980s, I was actively involved in trying to get established an up front cost-sharing requirement for the Central Arizona Project distribution systems. We ended up settling on around 20 percent as part of a politically driven compromise. As it's turned out, even 20 percent was too high, for several of those districts to divide them.

In addition to the project-specific work, it became apparent, I think, that there was a need for broader policy reforms, and

actually the report of the National Water Commission came out I think in 1973, which was actually a group of people appointed by the Nixon administration. The National Water Commission basically laid out a pretty sound set of recommendations for redirecting federal water resources investments in areas that were more likely to be economically feasible, have a greater return to the national economy, and also more likely to be less environmentally problematic, issues like cost sharing, user fees, Federal Flood Insurance Program, mitigation of damages to fish and wildlife habitat. So a good deal of our work involved policy issues, as well as concern about individual projects.

In 1979 and 1980, I was involved in a coalition that involved environmental and taxpayer groups that successfully identified the shortcomings in the Corps of Engineers' program as reflected in the biennial Rivers and Harbors bills that were typical of time. Every two years in an election year the Public Works Committees would produce a rivers and harbors bill. They got a little bit more sophisticated in calling it the Water Resources Development Act, but it was basically the sort of uncritical pork barreling that went on at the time.

Lobbying Congress for Water Program Reforms

We worked with some sympathetic members of the House Public Works Committee, including Congressman Bob Edgar from Pennsylvania, to develop a critique of the

Public Works bill and send up amendments to it that would demonstrate the shortcomings of the bill. In late 1979, I think just before the Congress recessed, Congressman Edgar filed about 180 amendments to the Water Resources Development Act, as reported by the House Public Works Committee, and then debate took place on those in early 1980.

What usually was a congenial, jovial, one-day affair of backslapping and self-congratulation by various members of the Congress Public Works Committee turned into kind of a cranky debate that lasted about five days. The longer the bill was held on the floor debating these amendments, Edgar kept bringing up about the lack of cost sharing, lack of user fees, lack of fish and wildlife mitigation, the lack of O&M [operation and maintenance] funding for all of these projects, and typically there were over 100 projects in the bill, the longer this was out on the floor, the more aroma this legislation took on.

I don't believe Edgar was successful in getting any of his amendments passed. He only brought some of them to a vote. He allowed grouping of a number of the amendments. There were three or four key votes on the bill, and he lost all of them. I think he pulled right around one-third of the House. I think he got in the 120s or 130s, something like that, on his votes.

After the bill passed the House, I think in February of 1980, the president said that he

was determined that the House-passed bill was not going to become law, that there were shortcomings in the House bill that had to be corrected. Once the administration took that position, the effort collapsed on the Senate side to produce a bill that year. There were at that time several key reform-minded members of the Senate Public Works Committee, and it, I think, became apparent that they would have quite a fight on their hands, and ultimately the president wasn't going to sign such a bill anyway.

Reforming Water Projects during the Reagan Administration

So the rivers and harbors Corps of Engineers old-school pork barrel legislation kind of broke down in 1980, and we maintained this coalition of environmental and taxpayer groups to bird dog the program through the early [Ronald] Reagan years, actually into Reagan's tenure and the tenure of the Republican majority in the Senate at that time, and persisted in advocating more significant cost-sharing requirements, more significant cost recovery through user fees, and more effective mitigation of fish and wildlife damages, and ultimately that effort culminated in the Water Resources Development Act of 1986, which carried water reform for the Corps program. There has been a biennial water resources bill since that time, and with only a couple, and not very significant, exceptions, there has not been any serious

effort to unravel any of the reforms that were enacted in the Corps program.

When the Reagan administration came in, it soon became apparent that there were going to be significant—that the issue of water resources was going to expose some internal contradictions that were embedded within the Reagan administration and the constituencies supporting the Reagan administration. There was the Eastern budget-cutting approach, budget and tax-cutting approach, represented by Stockman, Jack Kemp, and others who wanted to curtail the role of government in society, wanted to reduce spending and lower taxes. And then there was this incredibly solid regional constituency on election night looking at all those states up on the network's electronic maps that had gone to President Reagan, and the regional constituency that continued to favor subsidized access to the commodities in the West that were one way or another controlled by the federal government—grazing, mining, timber, water, and power.

In the area of water development, this fault line was seen in the administration right along the division between the Corps of Engineers and the Bureau of Reclamation, and the Corps was overseen by Bill Gianelli, who was assistant secretary of the Army, who was from California, had been in state government when Ronald Reagan was governor, had been involved with the state water project, and Bill Gianelli was not at all uncomfortable with

increasing cost-sharing requirements for non-federal sponsors for Corps projects.

END SIDE 1, TAPE 1. JANUARY 26, 1995.

BEGIN SIDE 2, TAPE 1. JANUARY 26, 1995.

Storey: You were talking about Bill Gianelli.

Osann: Yeah. Bill had been in state government with Ronald Reagan, was involved with the state water project at the time it was being built and initially operated, and was not uncomfortable with establishing a more significant cost-sharing requirement for the non-federal sponsors of Corps of Engineers projects.

Jim Watt was secretary of the interior initially. Bob Broadbent was a politically well-connected fellow from southern Nevada, became the initial commissioner and later assistant secretary. They were very hostile to the idea of uniform cost-sharing requirements. I think they believed that cost sharing would render the Bureau program non-viable.

I think it became clear at that time that the traditional Reclamation program was swimming upstream against some very powerful currents, two or three of them converging to make continuation of the traditional program extremely difficult, the one being increasing budgetary stringency, which really started in the seventies, but took on a much larger dimension in the 1980s. Part of the Carter administration effort on water policy reform was budgetary, and in retrospect I think if the agencies had

gotten off with the minimum cost-sharing requirements that the Carter administration was proposing, which many of the traditional proponents argued against vehemently, they'd have been getting off a lot easier than they ultimately did. The Reagan administration proposed much more significant cost-sharing and user fee requirements than the Carter administration ever did.

But the Bureau was swimming against this tide of budgetary stringency, changes in the farm economy—the farm economy, the internationalization of production and distribution of agricultural commodities. The role of agriculture in the U.S. was just very different than it had been twenty years earlier, let alone seventy-five years earlier. And finally, the concern about the environment. There was a sense, I think, that the environmental concerns were becoming more acute and more keenly felt by the American people. There is a bit of the law of diminishing returns here at work. When more and more of the best dam sites are developed, the remaining reaches of undeveloped river take on more importance to people, and I think this caught up with both the Corps and the Bureau at that time, as well.

Secretary Watt and Bob Broadbent actively opposed efforts within the administration to develop a consistent set of guidance with regard to cost sharing. There was some nominal support for cost sharing, but really everything was negotiable. Let's make a deal was their approach to it, and they

negotiated a cost-sharing agreement on the Central Arizona Project, for instance. The set of elements that was put together to replace Orem Dam was called Plan 6, and Plan 6, the administration was insisting on some kind of cost sharing for Plan 6.

Well, the cost sharing was, in some respects, a losing [unclear]. There was federal power made available to the local sponsor, which could go out and sell it on the market at market rates, and the increment of value between what they pay for under federal power marketing policy and what they got for it on the open market became their cost-sharing contribution. That increment of value is available to the federal government, if the federal government chose to market power that way. So it was this kind of gimmickry that went into the cost-sharing negotiations that the Bureau entered into. The cost sharing on the Animas La Plata Project is, I think, a very dubious value.

The Reagan administration struggled with this issue of cost sharing and water policy for several years. In 1982, the administration was seeking an increase in the authorization for dam safety work, which was largely driven by the requirements of the Salt River Project dams in Arizona. If my memory serves me, they sought about a \$600 million increase in the authorization ceiling for the Reclamation Safety of Dams Program, of which at least \$300 million was attributable to the S-R-P dams, and they had to face the question of whether they

were going to be requesting cost sharing or not. Well, Bob Broadbent went up to testify, and it was sort of a wink and a nod, "Yeah, we favor cost sharing."

We environmentalists worked with not only Democrats but Republicans who were strong supporters of the Reagan administration and essentially took that nominal commitment to cost sharing and said, "Okay, let's have cost sharing in this program," because the committee in the House, the authorizing committee which was the House Interior Committee, reported out a bill without any cost sharing, and there were no express objections from the Bureau to that action.

We helped organize an amendment on the floor of the House to require cost sharing for dam safety improvements, and it was strongly objected to by [Congressman] John Rhodes and others from Arizona, who knew that this would affect S-R-P particularly. But with the support of fiscally conservative Eastern Republicans and environmentally oriented Democrats, the amendment passed by a very healthy majority.

Environmentalists and Taxpayer Groups Align

That was an important watershed in the evolution of the Reclamation program, and the efforts of environmentalists and the taxpayer groups who were in league with them really played out in two different ways between the Corps of Engineers and the Bureau of

Reclamation. The Public Works Committee's authorizing the Corps of Engineers tended to produce these omnibus biennial bills. Their strategy was to get something in for so many people that it would make their program kind of invincible on the floor. In fact, what they ended up doing in the early 1980s with this change of opinion is that they packed so much in that they made it ponderous and vulnerable on the floor. So the strategy was basically to block an omnibus bill until the sponsors of the bill could reconcile themselves to significant reforms for the Corps program. As I said, that was an effective strategy leading up to the Omnibus Bill of 1986.

With the Bureau program, the committees have traditionally taken a different approach. They tended to report out freestanding bills for Reclamation projects and presented them quite often as little housekeeping matters that nobody other than somebody in New Mexico or Oklahoma or Wyoming would ever want to bother with. So it was a very different approach than the Public Works Committee's, but the objective of the committees was the same in both cases, and that was to avoid critical examination of the contents of their legislation. And so it was important, with regard to the Reclamation program, for those who were interested in reform to not let these small so-called housekeeping bills relating to individual programs, individual facets of the Reclamation program, to not let them go through unchallenged. Each bill that came through

ought to carry some sort of reform that was germane to what it was trying to do. So there was an effort made to establish cost sharing for the Safety of Dams Program.

Now, having gotten a cost-sharing amendment accepted overwhelmingly by the House, the Senate was still hoping to get by without cost sharing and waited until the last day of Congress to try to move the bill late at night. In fact, Senator [Dennis] DeConcini from Arizona had left Washington with commitments from the leadership to move the dam safety bill without cost sharing, got on a plane for Arizona thinking that it was a done deal. But we were successful in persuading others not to agree to unanimous consent request to bring up the bill without cost sharing wasn't consistent with the administration's program, and so it died.

In that same Congress, following, I think, the effort on dam safety, the cost ceiling needed to be raised for the C-A-P distribution system, and we were successful in negotiating the 20 percent cost-sharing requirement for that.

Victories over the Traditional Paradigm

There was a succession of small bits and pieces of legislation for the Reclamation program over a period of three or four or five years. Each one carried a little piece of reform, either improving the formula for determining interest rates on repayment to get a formula that

more accurately reflected the cost of Treasury borrowing or various kinds of cost sharing or better fish and wildlife mitigation, various things. So the challenge for those of us who were seeking reform was to kind of stay on top of the legislative picture with regard to each individual Reclamation bill.

There were a few of them that kind of slipped through the cracks and got away from us, but for the most part I think we did pretty well in holding the fort and insisting on some reform. In fact, some bills came through that, where their sponsors under the old paradigm were anticipating that this was a little housekeeping matter that nobody would care about, that were just flat-out defeated on the House floor.

There was a bailout for the Southern Nevada Water Project that had to do with reimbursing the district for the cost of pump casings that had to be replaced a short time after the manufacturer's warranty ran out. The warranty extended for three years, and three and a half years into operating the project these pump cases went bad. The district said, "Hey, we shouldn't have to pay for this," and our view is that they're setting the federal government up to be not the insurer of last resort, the insurer of first resort, and that this was an additional subsidy to urban water development in southern Nevada that was unwarranted. The committee had brought the bill up under suspension, thinking they were going to get two-thirds in favor of the bill, and it ended up getting

defeated by about 400 to about 15, or something like that, or 30. Maybe most [unclear] supported it, so it was probably around 400 to 30.

There was a bill that [Congressman] Tony Coelho was promoting that would have allowed for the Pleasant Valley Water District to get a distribution system loan, which is a zero-interest loan, for irrigation distribution systems. The Pleasant Valley Water District turned out to be largely made up of Tenneco and a couple other large landowners, and with a little modest effort and kind of bringing a few of these facts out, that was another one that the House Interior Committee had reported under suspension, expecting to get two-thirds and they ended up getting clobbered.

The administration, there were political tensions within the administration that needed to be sorted out, because the Corps, under Gianelli, working with O-M-B [Office of Management and Budget] was actively promoting cost sharing as the way to go to get their program straightened out and more fiscally responsible, and they were willing to accept the stronger environmental mitigation requirements, as well.

Reclamation's Resistance to Environmental Mitigation

The Interior, Bureau people were not. So in 1984, Senator [Paul] Laxalt, who had taken on the job of being President Reagan's campaign chairman, took the lead in getting a

Senate letter together and wrote the president, saying, "You ought to straighten out your cost-sharing policy." And so in an answer back to his campaign chairman, President Reagan said, "Okay. Here is the new cost-sharing policy for this administration, and the policy is, each agency will decide what its policy is," is what it came down to. So Gianelli could proceed to pursue a strong cost-sharing policy without getting sniped at, and Interior could proceed with the let's-make-a-deal approach, anything's negotiable, as a way of avoiding any difficulties that might actually, heaven forbid, preclude a project from being built.

In the latter part of my tenure with the National Wildlife Federation, I was involved in negotiations on three or four large projects on essentially reformulating—these were projects that, for one reason or another, had hit the rocks, they ran out of money or they needed more money or whatever. I was involved in negotiations on the Garrison Diversion, Garrison Reformulation Act of 1986.⁴ That involved negotiations with Governor [George] Sinner of North Dakota, the North Dakota Congressional delegation, and N-W-F and Audubon, the Wildlife Society, environmental groups that were working on that.

4. For more information on the Garrison Reformulation Act of 1986, See "Garrison Diversion Reformulation Act of 1986," May 12, 1986 in United States Department of the Interior, Bureau of Reclamation, *Federal Reclamation and Related Laws Annotated (Preliminary)*, Volume V of Five Volumes, 1983-1998, Donald L. Walker, editor (Denver, Colorado: United States Government Printing Office, 2001), 3464-74.

I was also involved in negotiations with the Arizona congressional delegation on Cliff Dam and the ordination of Cliff Dam for the Central Arizona Project. That was in 1987, I believe. We had formed a loose coalition called the National Coalition to Stop Cliff Dam, and it proved to be successful.

I was involved in an effort to reformulate one of the large Corps of Engineers projects in the lower Mississippi Valley, the Yazoo Basin Project in 1988. Excuse me, I think that was probably 1989, when the new administration in Mississippi was willing to take a more critical view of the Corps of Engineers flood control and drainage activities in the Mississippi Delta.

I was involved in negotiations with the Utah delegation on reformulating the Central Utah Project, and the National Wildlife Federation and local environmental groups had the lead in trying to come up with acceptable terms upon which the C-U-P could be completed.

In each of those cases, in each of the cases involving the Bureau, the Garrison, Cliff Dam, and C-U-P, I thought it was notable how little involvement the Bureau actually had in the deliberations that determined its fate on some of its largest projects. Ultimately, the Central Valley Project Improvement Act and the Grand Canyon Protection Act—C-U-P, C-V-P-I-A, and Grand Canyon Protection Act ended up all getting wrapped up together in the Reclamation

legislation that was passed in 1992.⁵ I think it's safe to say that those were probably the big three elements in that package. The Bureau still had a lot of people committed to pursuing the traditional program, and the result of that was that neither the department nor the Bureau were really effective participants in negotiations on those key projects.

Working with Dan Beard

In the course of doing this kind of work that I described, this sort of advocacy analysis of federal water projects and water policy, I had occasion to work with Dan Beard off and on for a long time.⁶ In fact, Dan was the Subcommittee Staff Director for Congressman [Sidney] Yates, who chaired the Interior Appropriations Subcommittee in the 1970s, when I worked for the Save the Dunes Council, and the Indiana Dunes National Lakeshore is the unit of the National Park System that is closest to Chicago and is one that was established with the assistance of—in fact, was really instrumental. The Chicago Democrat, Senator Paul Douglas from Illinois,

5. The acts mentioned above were all part of a large Reclamation omnibus bill, see "Reclamation Projects Authorization and Adjustment Act of 1992," October 30, 1992 in USDOJ, BR, *Federal Reclamation and Related Laws Annotated (Preliminary)*, 1983-1998, 3803-4005.

6. Commissioner Dan Beard participated in the History Program's oral history project, see Daniel P. Beard, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Brit Allan Storey, senior historian, Bureau of Reclamation, from 1993 to 1995, in Washington, D.C., Expanded Second Edition, 2009.

was instrumental in the Lakeshore being established in the first place. So Congressman Yates had an interest in the Indiana Dunes, and so I was a witness. In each of the three years that I worked for the Council, I would go and testify with regard to appropriations for land acquisition development of the National Lakeshore, so I got to know Dan a little bit in that context.

He and I both changed jobs in '77, and when he became a deputy assistant secretary here and I began work for the National Wildlife Federation on the water projects and water policy, our paths also crossed frequently.

In the early 1980s, I guess I saw less of Dan. But when he went back to work on the Hill—actually, in '84, '85, I think Dan was doing some free-lance lobbying consulting. It wouldn't have been '85. It would have been '84. I think he did a little consulting for Audubon on the Garrison context, and we worked together a little bit. And then in '85, when he went up to the Hill to become Subcommittee Director for Congressman [George] Miller, I had pretty frequent dealings with him. In some cases, we were pursuing mutual goals. In other cases, I was working the other side of the street from the committee position. In any event, he was generally familiar with my work, and as he began thinking about this job, he thought that I might be of some value to him. So that's how I came to work for the Bureau. Dan was confirmed in, I believe, May of '93, and I was cleared through the

secretary's office I think by June of '93, but not cleared through the White House as a Schedule C appointee until the middle of September, so I started the first week in October of '93.

Storey: Why did you decide to leave the National Wildlife Federation?

Leaving the National Wildlife Federation

Osann: I'd been with the federation for sixteen years. The federation was a good working environment for me. As I alluded to, we took an interdisciplinary approach to our responsibilities, so I headed up a team that involved a lobbyist, a lawyer, and a technical person. I hired an economist while I was there, so I had an economist on my staff. We had, I think, a very good internship program, so we always had a group of usually college graduates or graduate students that were working with us.

My staff varied, but typically I had seven or eight people, including myself and an administrative assistant, which is not a large staff to address the totality of water resources issues spreading across the Corps, the Bureau, S-C-S programs, and the Power Marketing Administrations and the Federal Flood Insurance Program, which we also worked on, but was more talented, more brain power than any of the other national environmental groups were bringing to bear on this set of issues. We also had a regional structure where some of the N-W-F employees in places like Portland.

END SIDE 2, TAPE 1. JANUARY 26, 1995.
BEGIN SIDE 1, TAPE 2. JANUARY 26, 1995.

Storey: This is tape two of an interview by Brit Storey
with Edward Osann on January 23, 1995.

So you had—

Osann: I was saying, I had a staff that was generally
seven or eight people here in Washington, and
there were also N-W-F staff members in some
of our regional offices that had some interest or
expertise in water issues over the years.
Particularly in our office in Portland there was a
lot of interest in the Pacific Northwest Power
Act and federal hydro licensing.⁷ Some of our
state affiliates also had strong interests, and
some of them developed good expertise on
projects in their area. I had good working
relationships with some of them.

I think that, working on these issues for
fifteen years, we actually made quite a bit of
progress, and at the time that we set out on this,
we had a very active federal construction
program that was causing environmental
controversies from Maine to Southern
California and from Florida to Oregon. I think
that our program played a very significant part

7. For more information on the Pacific Northwest Power
Act, see "Pacific Northwest Electrical Power Planning and
Conservation Act," December 5, 1980, in United States
Department of the Interior, Bureau of Reclamation, *Federal
Reclamation and Related Laws Annotated*, Volume IV of Four
Volumes, 1967-1982, Louis D. Mauro and Richard K. Pelz,
editors (Denver, Colorado: United States Government Printing
Office, 1989), 3225-72.

in the effort to get the federal water resource development program reoriented to be less environmentally damaging and less costly and more responsible rather than just a politically contrived parade of pork barrel projects.

I'm not sitting here saying that there aren't any problems left to solve, but I think that over a ten- or fifteen-year period, I think that we were successful in planing off a lot of the rough edges of this program. The acute sense of despair that a lot of environmentalists felt in the early and mid-1970s at the federal dam building juggernaut was largely attenuated over this period. Some issues we lost and the projects got built, but on others we won and projects didn't get built, reforms got put in place, the appetite of project proponents moderated to a considerable extent in some areas. So I think the programs became less of an environmental threat, certainly new construction.

Storey: Would you verbalize for me the concerns about the environment that were felt at the National Wildlife Federation and so on?

Osann: With regard to water development?

Storey: Yeah, please.

Environmental Movement's Concerns about Water Projects

Osann: Yeah. I think it's a concern about a loss of a sense of place in many cases, people

concerned with losing more of their free-flowing rivers and streams, and there are different kinds of difficulties posed by different kinds of projects. In some cases, there might have been outstanding natural values of those rivers and streams that would have been lost to impoundment. In some cases, there was whitewater recreation that was involved. In other cases, there were fisheries that were involved, or just scenery, pastoral landscapes, rural communities. In other cases, there were concerns about what was being done with the water that would have been developed, concerns about drainage, discharges, water quality, water quality being disrupted by the construction and operation of a dam or by the return flows from irrigation.

I think underlying it all was a sense of indignation that some of these projects were so economically anemic, that it was a real travesty for the federal government to be rolling over local citizens and environmental concerns to subsidize marginal activities to such a great extent. In the '77-78 time frame, a couple of the Reclamation projects on the West Slope of Colorado became the object of some of this organizing against the traditional program. Fruitland Mesa, Savery Pot Hook were two of the West Slope projects, and they're quite expensive relative to the benefits that they were going to be providing. I think those were two where the federal investment was going to be over a million dollars per farm for a relative handful of irrigators, and it just didn't make any sense.

Storey: If you look back on it, can you see changes in concerns as you—you went through quite a long career, from '77 to '93, sixteen years you said.

Osann: Sixteen years, yeah.

Storey: In the formative period of the United States government's involvement in environment affairs, the National Historic Preservation Act passed in '76,⁸ probably the first of the environmental laws. Then in '79, NEPA [National Environmental Policy Act].⁹

Osann: That was '69, NEPA.

Storey: Oh, I'm sorry.

Osann: NEPA was established law.

Impact of Environmental Legislation

Storey: What am I talking about? Wait a minute. That's right. It was '66, '69, I'm sorry. Then we moved into Clean Air, Clean Water, and all the other things. Did you see an evolution in terms of sophistication of issues? Did you see an evolution in, at one point—

8. For more information on the National Historic Preservation Act, see "National Historic Preservation Act of 1966," October 15, 1966, in USDO I, BR, *Federal Reclamation and Related Laws Annotated*, 1967-1982, 2304-28.

9. For more information on the National Environmental Policy Act of 1969, see "National Environmental Policy Act of 1969," January 1, 1970, in USDO I, BR, *Federal Reclamation and Related Laws Annotated*, 1967-1982, 2492-2511.

Osann: Well, I saw the evolution even before I started with the National Wildlife Federation. I was in graduate school in the early seventies, and as part of my graduate program in urban planning I took courses in environmental law through the G-W Law School. It was a very new field at that time. In fact, it was so new that the textbook we used were the galley proofs of a book that our professor was writing sort of on the spot.

Right at the beginning of the term, the Calvert Cliffs decision¹⁰ had come through, which basically provided the basic judicial interpretation of the responsibility of federal agencies under NEPA. There were some agencies that would continue to hold out and say they weren't subject to NEPA or they weren't subject to the C-E-Q guidelines on NEPA, but they became fewer and fewer.

I think there was a sense over that time from, say, the mid-seventies to 1990, early nineties, that environmental problems would become more complicated, I think led largely by concern over toxics, that some areas had been scoped out pretty well. I can remember a time when people would address clean air problems by reference to the Ringlemann Chart, which is simply a measure of how dark a

10. The Calvert Cliffs decision refers to *Calvert Cliffs Coordinating Committee v. Atomic Energy Commission*, 1971, which held that courts have the power to require agencies to comply with procedural directions of the National Environmental Policy Act of 1969. The case established that NEPA had judicially enforceable duties.

cloud of pollution is, a plume from a smokestack, and some of the early attempts at regulating clean air through local ordinances were sort of that way.

The framework developed on the Clean Air Act and ended up becoming progressively more sophisticated. Clean Water, a huge federal effort and state effort to address municipal wastewater discharges. We sort of knew what that problem was and sort of knew some ways of handling it. Maybe those programs weren't all that well managed or maybe we ended up spending a few billion dollars more than we should have spent in public funds, but that was kind of a problem that you could kind of identify, and if you could commit enough resources, you could envision solving it.

With the breadth of issues relating to toxic contamination, superfund, groundwater contamination, not a lot of people walking around in their heads with much understanding of geohydrology, and even for those who do, there's not a lot of data on hand that is immediately relevant to your local toxic hot spot.

So I think there was that aspect of evolution in thinking about environmental problems that we had addressed an initial round of concerns, in a literal sense, the most visible concerns with regard to clean air and clean water. With some of the programs developed in the early seventies, they were basically end

of the pipe treatment strategies, and coming to the realization that to provide the kind of quality in the environment that people were really hoping to achieve would take even more sophisticated approaches, some of which involved more into nature market incentives than end of the pipe regulation.

With regard to water resources, probably over the last five or six years that I was at the National Wildlife Federation, from maybe the '87-88 time frame on, it became increasingly clear to me that water conservation was an area that would be increasingly important and had multiple benefits, and we tried to develop increasingly sophisticated approaches to conservation and tried to stay alert to some of the developments in energy conservation that would have applicability to water management.

Water Conservation and the Plumbing Industry

I would say that probably for the latter part of the five years that I was at N-W-F, probably half my time spent on substantive issues was about water conservation in one form or another. I was involved in negotiating with plumbing manufacturers and others involved in the plumbing industry, wholesalers, plumbing contractors, and the professional plumbers union, in trying to develop some federal standards for water conservation for plumbing products, and we were successful in reaching a negotiated agreement that allowed for those conservation standards to be written

into the Department of Energy's Appliance Energy Efficiency Program. We amended the program to make saving water one of its objectives, as well as saving energy, and then added specific plumbing products with specific performance standards to be regulated under the act, all to standards that we had negotiated out with the industry.

That was very interesting work. It was a real eye-opener. It kind of got me away from the routine of dealing with federal projects and the problems of water supply, raw water supply, and looking at the demand side of the equation, looking at end users, how water is used, and whether the water can be used more efficiently.

The plumbing industry was not like desktop computers. Every industry sort of has its own culture. In the field of computers, there is a premium placed on innovation. There's a premium placed on bringing products to market quickly and product improvement and that sort of thing. You wouldn't confuse the plumbing industry with desktop computers. It was very established and conservative and used to operating within its own culture, which did not place much of a premium on innovation.

So it was interesting for me, and I really feel fortunate to have had the opportunity when I was at N-W-F to be able to delve into the workings of the plumbing industry to understand enough how standards were set on a voluntary basis, how standards might be

developed that would have applicability in a regulatory setting, how you could develop product performance standards as opposed to code requirements. There's a significant difference there.

When I think back on it, when I first began exploring this topic, I would assign one of my interns to research a particular field, and many people would wonder why we, as an environmental organization, were delving into the operating characteristics of toilets. Some of the folks I worked with and assigned responsibilities for this stuff must have really thought that they were chasing some kind of rabbit up a blind alley, and in some cases you do. When you're exploring a new field, you follow leads, and some of the leads don't take you anywhere.

We groped around for a while, but I was able to strike up a bit of an alliance with the Washington representative of the Metropolitan Water District of Southern California and just making the observation that Congress had, I think in maybe 1987, early 1987, had enacted performance standards for energy consumption in consumer products, twelve, thirteen, fourteen specific consumer products, like refrigerators and washers and dryers and hot water heaters. This is the program that produces those yellow tags that hang on appliances. That program had been around for a while, and the labeling requirement had been around for a while, but the specific standards that newly manufactured products

were supposed to meet was enacted by Congress in 1987 as a result of negotiations between environmentalists and appliance manufacturers.

I was on a trip through California that MET [Metropolitan Water District] had put together. I think I proposed the idea to them. I think sometime in early '87 I said, "Look, this Congress is probably going to deal with some important water issues for California. The environmentalists are going to be involved in this, and we can either be more informed or less informed. If you'd like us to be more informed, why don't you put together a little trip and show us what you think is important for us to see?"

And so they did that. They sprung to bring out three or four D.C. environmentalists and show them the [Sacramento/San Joaquin] Delta and show them Imperial [Valley], show them the lower Colorado [River] and their pumping plant and their treatment plant and that sort of thing. It was useful to kind of get a dimension, get a sense of what was going on and get a sense of the dimensions of the issues there.

But during the course of that, I kind of made the observation that Congress just enacted this legislation, setting performance standards for consumer products in the energy field. What would they think about trying something similar with regard to water? Really without much hesitation, their Washington rep,

Bob Will [phonetic], said, "Yeah, that sounds like a good idea."

I think it's worked out very well. The plumbing industry initially fought this, as most industries would instinctively fight the idea of federal regulation they were not subject to it. I mean, who would want federal regulation if you didn't have it, right? But we tried to convey the notion that if they could really bring a more efficient product on the market, that they could sell efficiency, that they would give people another reason to replace the fixtures that are in 100 million American homes, and these fixtures tend to be very long-lived. We don't think about it very much, but the life span of a toilet is twenty-five to fifty years. People occasionally remodel their bathrooms and so on.

Environmentalism Gains Recognition with Industry and Congress

We really made the inroads on the water conservation in much the same way the environmentalists made the inroads in energy conservation, and that is a number of states acted on their own to establish tighter standards than were typical for the time. The manufacturers—and also, in the case of the plumbing products, the wholesalers—began to see a national market for their products getting vulcanized with separate state standards, more stringent standards in some states than others, and the states had the capability not only to set different standards for products sold within their jurisdiction or installed within their jurisdiction,

but could also set different test procedures for determining whether the standards had been met, or different labeling requirements to demonstrate that products met the standards. So there were several different ways that the states, acting alone, could complicate the business of the manufacturers and the wholesalers.

The wholesalers kind of cracked first and decided they would throw their lot with national standards probably in the very early months of 1992, and then I think the professional plumbers union came to realize that the national standards would not hurt them. And then the manufacturers, or at least one or two key manufacturers, came around. I think the plumbing contractors were the ones that were the hardest to convince, but when the manufacturers committed to a federal regulatory scheme, the contractors didn't continue to object.

There were concerns that the products wouldn't work, that consumer acceptance would be low, that they'd have a lot of call backs, people expecting something different and they'd be called upon to replace products that they just installed and lose money in the process. Manufacturers generally warrant their products, but they don't warrant the labor involved in installing their products, and so it becomes kind of a chronic issue. If you have do a replacement, how are the labor costs handled, and a lot of times contractors have to

eat at least one callback themselves. So they were the hardest to convince.

The manufacturers had kind of brought this problem on themselves, because in opposing the federal legislation initially, their initial tack was that consumers would not be satisfied with the products, that the products were substandard, more efficient products were substandard. So their own lobbying campaign kind of made their eventual reconciliation to the program a little bit more difficult than it needed to be.

I guess that's about all I've got to say on that topic.

Rejects the idea of Working for the Foreign Service

Storey: Let me ask you what I think will be a fairly quick question. How did you evolve away from your interest in the Foreign Service to an interest in urban and regional planning?

Osann: I graduated from Georgetown in 1970, at a time when students were agitated all over the country because of President [Richard] Nixon committing troops to Cambodia and appearing to widen the War in Vietnam. I became disinclined to want to be a federal government employee, certainly not a representative of the then-administration. And as kind of a young person, you have difficulty looking very far down the road and anticipating that one administration isn't going to be there forever.

But I didn't want to go to work trying to represent the United States in foreign countries while the war in Vietnam was going on, explaining policies that you don't really believe in.

At the same time, I was interested in government and in politics and became quite interested in local government and local politics and felt that urban planning, urban and regional planning—

END SIDE 1, TAPE 2. JANUARY 26, 1995.
BEGIN SIDE 1, TAPE 1. APRIL 4, 1995.

Storey: This is Brit Allan Storey, senior historian of the Bureau of Reclamation, interviewing Edward Osann in his offices on the seventh floor of the Main Interior Building in Washington, D.C., on April 4, 1995, at about ten o'clock in the morning. This is tape one.

During our last interview, we got up to your coming to the Bureau of Reclamation, and now I think we ought to start there and move forward into the present. Can you tell me why you came here and what's been going on, from your point of view?

Osann: Well, I think I probably covered quite a bit about why I came here in our last discussion.

Storey: Mm-hmm.

Reasons for Joining Reclamation

Osann: The issues that have been going on since I've arrived here have been largely colored by government downsizing efforts. It's been kind of an overarching issue, one that Dan had spent quite a bit of time on before I arrived, actually, the restructuring of the Bureau, redirection of the Bureau, and the management of individual issues within the Bureau program, things like implementation of the Central Valley Project Improvement Act, involving [low volume]; Bay Delta standard setting in California; Central Arizona Project efforts at completion; a number of specific projects, Upper Colorado Fish Program; the Columbia [River] basin certainly, with the need to reconcile project operations there with the needs for anadromous fish, some which are listed for protection under the Endangered Species Act.

In fact, it's kind of remarkable the degree to which the Endangered Species Act is influencing the program, some might say not enough. But as I, thank God, the mental picture in my mind about the situation, it's easier to identify the portions of the Bureau territory in the seventeen Western states where there are not compelling endangered species issues than ones where there are, because it's so widespread—the Columbia [River] basin in California, the areas tributary to the Bay in the Delta, the upper Colorado [River], the lower Colorado, the Platte [River], portions of Texas. That's the great bulk of the area served by the Bureau. So we've been trying to make this transformation from being a construction agency to being a water management agency at

a time when the requirements for species are becoming more compelling.

Storey: How are we doing on redirecting the agency?

Reclamation's Progress in the Transformation

Osann: I think by some measures we're doing pretty well. I think that the reorganization of the Bureau has brought on a change in the culture of the place with the transfer of more day-to-day decision-making authority to the region directors and the area managers and the moving of the Denver operation from a corporate headquarters-type arrangement to a technical service center, whose job it is to serve the regions and the area offices rather than to run the regions and the area offices. It's a big cultural change within the organization to get a customer service orientation rather than a command-and-control orientation in Denver. That, together with the downsizing, has, I think, established a climate of change that is quite apparent.

Now, having said that, I think there are a lot of things that haven't changed, but I think the opportunity is still there for a very substantial redirection of the organization. It's sort of a work in progress. It's still going on. But I think when you look at some of the operation of specific Reclamation projects, in some areas there's a considerable amount of innovation and new thinking going into examining how the project can be operated, who's doing what, who has responsibility for

doing what, and broadening objectives to some degree. And for other projects, it's nothing much has changed too much on the ground.

One of the initiatives that's coming out of this second round of reinventing government that the president [Bill Clinton] and the vice president [Al Gore, Jr.] announced last week is an effort to explore the transfer of a number of Reclamation projects out of federal ownership, and we're still in very early stages of thinking about that. We need to develop an approach to that that will be mindful of what federal interests there are in some of these projects, by recognizing that, for the most part, there are dozens, if not hundreds, of these projects where there really is no reason why federal employees have to be involved in key decision-making and there's no compelling reason why title has to rest with the United States. Having the federal government no longer owning the projects will be another dimension of change.

Storey: What kind of interaction do you see between transfer—for instance, you've mentioned the Endangered Species Act things that are going on all over Reclamation.

The Question of Transferring Titles of Reclamation Facilities

Osann: Well, we have to think that through pretty carefully. That's right where we are right now, taking a concept, an idea that is not terribly refined, terribly polished, but a concept, and thinking through now the steps that we will

need to go through to accomplish it. We may well find that in some places the issues are so complicated that title transfer simply can't be addressed, or it can't be addressed now, first, that there are simply other issues that have to be addressed and dealt with and eventually resolved before it makes sense to tackle the title transfer issue.

In other places, I think the title transfer will be straightforward enough that it can be accommodated with a modest amount of effort at this point. I think that any title transfer will have some degree of complications in itself. I can't imagine any of these really being simple in a literal sense. But some of them will be relatively simple, some of them are likely to be relatively straightforward, compared to others where interlocking and overlapping issues may simple make the question of title transfer unattractive.

But we're not under any great pressure to sell a specific number or transfer a specific number of projects. It's not as though we have a specific mark either in terms of dollars or terms of number of projects that we have to consummate transfers on. We can go at a pace that we can manage and, I think, move in the areas that are most promising rather than areas that are maybe most problematic.

Storey: Of course, we went through, oh, about a year, year and a half, in order to restructure, beginning October 1st, and now we've had a half of year of experience of the restructuring

under our belt. I think you mentioned the primary aspects of the restructuring—more movement of an activity, the area offices, the regional offices, away from the Denver office, transformation of the Denver office, and so on. Where do you think things have gone really well in terms of that working properly?

Effects of Reclamation's Restructuring

Osann: I think that some of the area managers have done well with their new responsibilities. I think, for instance, of Jim Cole in Yakima, and last year at about this time, in early or mid-spring, we anticipated a very dry water year, a limited amount of water available, and forecasts that irrigators were going to be operating with curtailments to water users.

I talked to him about this time, in early April I think it was, and told him that I was uncomfortable sitting here in the springtime knowing that we were going to have, knowing as best we could know based on the kind of information we usually had available to us, that we were going to have a dry year, that there were going to be curtailments, and that we didn't have any particular approach in mind to try to address that in some way. I asked him to consider a couple things, one being using the authority that we have for drought relief to provide specific facilities that can have the effect of ameliorating the effects of drought—interconnection with wells, physical improvements that can be made on a short

turnaround basis, low-impact basis. So that was one set of things I asked him to consider.

The other set of things I asked him to consider was the possibility of facilitating transfers, to look for ways that the Bureau could play a role in moving water around this basin from farmers who have water that they're willing to sell or transfer to those who are anxious to acquire it. People had been talking about developing a transfer mechanism there for some time. There was legislation pending last year that anticipated that the Bureau would be involved in facilitating transfers, but it was just proposed legislation. It hadn't been enacted. I asked him to operate as best he could under existing authority to consider setting up [something to] facilitate transfers.

Facilitating Water Transfers a Drought Relief Measure

Jim was, I don't want to say apprehensive, because apprehensive would suggest that he was looking for an opportunity to shy away from going forward with those, but he was mindful that there were a lot of potholes out there and opportunities for these things not to fall in place, but that he would see what he could do in both of those areas. He had identified some good people on his staff that he had put in positions of responsibility, and working with them was able to identify opportunities for providing drought relief both to Indian irrigation project in the Yakima Basin, Wapito Project, as well as to non-Indian

irrigators, and he was also able to put in place a mechanism for facilitating transfers.

That really was kind of plowing new ground, because we hadn't done it there before, and it was one of those things that sounded good in theory, but there were a lot of folks around that said it would never work, that the districts would never agree to transfer outside their district boundaries, and things of that nature, and Jim pressed on with it. My encouragement to him was that we ought to get our own procedures in place so that we are not an impediment. We can offer facilitative, and ultimately, if nobody avails themselves of the opportunity, then so be it. But I just found it hard to believe in a basin where we provide irrigation water to over 400,000 acres that, if we really do have a simplified, user-friendly process that is reasonably well publicized, that will allow for transfers on a quick turnaround basis, that there won't be somebody to step forward and avail themselves of it.

My point to him was, "It's April. Let's think this through now, get our procedures in place, work through the things that we have to work through just because we're a federal agency, like NEPA [National Environmental Policy Act], E-S-A [Endangered Species Act], Indian Trust Asset Review, all these things, get our procedures in place so that when the effect of these curtailments really hits in late July and August, we're not just starting to think about them, but we're ready to go."

And that's what he did. He worked through the NEPA, Endangered Species, Indian Trust Asset issues, got them worked out by about—our target was to be ready to go by the beginning of June. I think we were ready to go by the middle of June. By the end of the summer, he told me that they had approved, I think, five or six transfers that came to maybe 3,000 or 4,000 acre feet of water, in the overall scheme of things not a huge volume of water. But he was really, I think, pleased that they had been able to put it together, and I was pleased that they had been able to put it together. It involved a lot of local decision-making. I had given Jim a couple of general objectives to try to achieve with the resources that he had at hand, and he was the one that had to put it together, and he did.

I think that's an example of the viability of the area manager concept, that they don't need to be coming back to Denver or coming back to Washington looking for authority and approval on each step they take.

Storey: Any other areas of success like that? For instance, is the structure working better?

Osann: Let me make sure I understand the question. The question has to do with areas of success for the new structure?

Storey: Yes. Or we can mix in the next question, which is, where isn't it working as well as it should?

Reclamation's Role in Mediating Disputes

Osann: In North Dakota, our area manager was—let me back up. The commissioner was approached by the North Dakota delegation to get involved in and play a key role in further discussions about the Bureau program in North Dakota.

The Garrison Diversion Project had been modified substantially in 1986. Some of the pieces that were envisioned under the reformulated project still were not coming together. There was doubt as to whether they ever would, and the question was, if we're not going to go forward with even a modified Garrison Project that was envisioned in 1986, what are we going to do, the "we" being what is North Dakota going to expect the Bureau to do?

The delegation felt that Dan really needed to be involved in those discussions, and the governor was quite willing to have Dan involved in discussions. So we went out there in December of '93 and had a session that involved virtually all of the Garrison Diversion stakeholders, about forty people, as I recall. Dan essentially charged Mike Wittington [phonetic], the area manager, with the responsibility to facilitate what was to emerge from this meeting in the way of ongoing discussions, what they hoped would become a collaborative process, and that's what they continued to call it, and I think Mike did a good job in facilitating those discussions.

Unfortunately, in about June of '94 the discussions has gotten to a point where people were coming off generalities and thought they needed to talk specifics. The governor laid out a proposal for discussion purposes, and the delegation immediately took great exception to the proposal that the governor laid out for discussion purposes. They initially declared this collaborative process to be basically dead and done with and that they would convene their own discussions and so on. But there was not much enthusiasm and evidence for the stakeholders to pick up from one venue and go to another venue and sit down and either start over or resume under somebody else's auspices. So that really didn't happen, and within I guess six weeks or so the pieces began coming back together and the discussions resumed.

It was unfortunate in that it was a setback for the discussions, and the time when they should have been making progress, they were going in the opposite direction. But I think that Mike's role was played out pretty well, and I think that those who found fault with Mike would have found fault with almost anybody in that position.

That's an example of where, in the nature of this business, I don't think you can always judge folks on outcomes. I think that the process is important, and where people were putting in a good effort, it needs to be recognized, even if the enterprise itself is not always successful. That's probably one thing

that distinguishes work in government from some private sector work, where for a company or a firm or a corporation you've got to maintain profitability over time, and if you don't, you simply can't stay in business. So you've got some underlying imperatives there in terms of performance, whereas the process is one of the things the government provides. It doesn't always provide results or outcomes—

END SIDE 1, TAPE 1. APRIL 4, 1995.

BEGIN SIDE 2, TAPE 1. APRIL 4, 1995.

Storey: You were talking about the government providing processes.

Government Provides Processes

Osann: Well, the process is one of the products that the government provides, and even though people don't always rush to embrace the product, the process still is important.

You asked for another example of where I felt the revised organization had been successful. I think it has been successful in the Dakota area office. What else would you like to cover?

Storey: How well are the regions transitioning into the reorganization, the next step up from the area offices?

Transitioning in the Regions and Tech Center

Osann: I don't have quite as good a feel for that. The regions have their own bureaucracy. They have bureaucratic niches there with the O&M staff, the finance and accounting groups, and other sort of specialized functions. I know that each of the regions has been going through a process with the area offices within that region to review the activities in the regional office, and to the extent that they are service-related activities, whether and to what extent the area offices are going to pay for them.

I think in at least a couple of cases the regional offices try to convene the area managers as sort of a board directors, the area managers along with a few of the senior managers within the region, and together they function sort of as a board of directors at the regional level. But I haven't kept up with the task that the regions may have delegated out to the areas or the specific mechanisms that the regions have employed to provide more responsive service, if you will, for the program. I think that the regional directors have themselves made the transition in pretty good form.

Storey: What about how the Technical Center is beginning to function now? Do you have a sense for that?

Osann: Well, there, too, we are anticipating setting up a board of directors that will involve, in effect, client groups—regional directors, area managers, and some managers from the Technical Center itself. I think that the change

was most significant in Denver, and I think that the shift in responsibilities was definitely very challenging, and my sense is that there were probably a number of people that had real difficulty with these proposed changes, but that the majority of them left the organization.

Storey: The Technical Center is beginning to function properly now? It is functioning properly now? Do you not have a sense for it? What do you think there?

Osann: Well, in my place in the organization, I'm not a direct customer for very much of the Technical Center's offerings. I've had a few specific dealings with the Tech Center staff, and from kind of an oversight perspective, I think that—you know, I have some concerns as to whether, when all is said and done with the buyouts and the downsizing, whether we're left with strong talent pools in each of the areas where we need to maintain some talent. That's a concern, and it's kind of hard to judge that from a distance.

I've had occasion to talk to a number of the economists, for instance, and I have been somewhat surprised. I think the vernacular kind of impression is that engineers, as a profession, tend to be more rigid and inflexible and resistant to change, but I found some of the people with the most traditional approaches to our work being our economists, and that has surprised me a little bit.

Storey: What about the Program Analysis Office and how it's fitting into the structure? I know it does have a bit of business with you.

Role of the Program Analysis Office

Osann: Yeah, and that is part of the Commissioner's Office, as we've structured the thing, as contrasted with part of the Technical Center. That's still, you know, a work in progress. The jury's still out on it.

I think we faced some challenges that we knew would be there by having a Commissioner's Office that would be in two locations, some here and some there, and that there would be a need for an extra measure of coordination and liaison activity because of the physical separation. We weren't going to be running into people in the hall and in the men's room and the ladies' room and the cafeteria and say, "Hey, how's it going on that thing we talked about last week?" We'd have to find other ways to fill that need to communicate.

The Program Analysis staff I think has been organized into four or five groups or clusters. It seems to make sense. Again, it's a little hard to say from a distance whether we've got the depth of talent that we need in the areas that we need it. In some areas, we've gotten, I think, quite good work from the Program Analysis staff, and other areas we've gotten what has been disappointing, and part of it's management problems.

Storey: Could you sort of briefly define for me how you see the functions of your office, the Program Analysis staff, and Austin Burke's Operations Office, the staff that's under him?

Osann: You want my description of those [unclear]?

Storey: Yeah, your view of how that's supposed to work, if you wish.

Osann: Well, taking Austin Burke's¹¹ Director of Operations first, there is a lot of work that goes into the preparation of the Bureau's budget, of any agency's budget, and a significant part of that work has to do with the liaison with the Office of Management and Budget and with congressional staff. We have a budget team here, and the budget activity, of course, is a reflection of Bureau operations.

So the way we have this structured is that we have a senior career person who is on the organizational chart someone who the regional directors can report to, someone who can be giving guidance and direction to the regional directors on certain issues. It's a pretty good approach, I think. There's no real attempt here to establish an office that can step in and do the regional director's work for him, but to have a career staff person that the

11. Austin Burke participated in the History Program's oral history project; see Austin J. Burke, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Brit Allan Storey, senior historian, Bureau of Reclamation, from 1993 to 1997, in Denver, Colorado, Edited by Brit Allan Storey.

regional directors can report to is not a bad idea. As I say, the work on the budget is very time consuming.

The policy in external affairs, I think, as one of the three that you mentioned that is a Schedule C appointment, I think that my job is basically to advise Dan on areas where he thinks or I think he could use some advice, and to provide not just advice, but some support analysis. The specific function of [unclear] within this area include the Congressional Affairs, the Public Affairs, and International Affairs, and while two of those three initially were also headed by Schedule C appointees, right now those are all three headed by career people.

This job could function as kind of a chief of staff to Dan, but he hasn't particularly sought to have it work that way and I haven't particularly wanted to have it work that way. He has a pretty open style of deliberating and decision-making, and I hadn't tried to interpose myself between him and anyone who thinks they need access to the commissioner anywhere within the organization. The chiefs of the three offices that I mentioned, Congressional Affairs, Public Affairs, and International Affairs, all need to be able to talk to Dan when they think they need to or Dan thinks they need to without sitting around waiting for my say-so or having to hear what I have to say first or to have me hear them and then digest it and feed it back to Dan. He doesn't do that.

The same thing with the regional directors and Austin Burke. Austin doesn't interpose himself in terms of access, and Dan doesn't limit himself in terms of access to them, to the regional directors. He's got pretty free interchange between all of his top managers, with all of his top managers.

Dan Beard's Impact on Reclamation

I think that there are some areas where I can be more helpful to Dan than others. Dan was confirmed in May, and I didn't get cleared until September, so I didn't arrive until the first week in October. Dan spent a large part of his time before I arrived thinking about and working on some of the key in-house organizational issues, and that was good, first of all because it needed to be done, and secondly because those are areas that I was not likely to be of any special assistance to Dan. At that time, he sought and got good assistance from Don Glaser, and they were able to develop an approach to the organizational issues that I think has proven to be quite satisfactory.

I think that's one thing that has distinguished Dan from some of the other appointees. I think that for many of the appointees there is almost this inescapable urge to put one's mark on new directions and policy as quickly as possible to distinguish yourself from the other folks, show that things are going to be different, find your own way and point in a new direction and all that. I think some folks may have had a tendency to do that without

laying sufficient foundation within the organization, without thinking about whether the organization, not just the policies that they've inherited, but the organization that they have inherited, is the right instrument to carry a policy in a new direction, carry a different policy, carry a policy in a new direction.

I think that Dan thought about and talked to people about an organizational structure that would be responsive to his conception of real problems and his conception of things the organization really needed to do, and I think that has proved to be [unclear] basically the smartest thing that he's done since he's been here is think about the organization first.

I came on in October, and there were some policy issues that Dan had gotten into, but clearly some had been sort of deferred, identified, but limited kind of work having been done on them. I think that the—well, let me just shift gears a little bit here and say that you can't always anticipate the specifics or the specific ways that a change in policy, or even a change in administration, will manifest itself.

This administration came in, and Dan being part of it. Clearly, implementation of the Central Valley Project Improvement Act was going to be important, and was important, is important, to Dan and to the administration. But there are other things that come up, and when we have an opportunity to look at them

and look at them fresh, there are ways new thinking will manifest themselves.

The first week that I was here, the Bureau budget has just gone—I started on Monday. The Bureau budget had gone over to O-M-B the previous Friday. But it was still early October, so I said, "Dan, what do you think if I just kind of take a look through the budget here and kind of get familiar with it and see if there are any issues?"

He said, "Fine."

Colorado River Salinity Control Program

I was working my way through it, and I ran across language that I had come to recognize as sort of fudge-factor language relating to cost ceilings in the case of the Colorado River Salinity Control Program. And so I asked some questions about it, and the explanations were not particularly satisfying, so I asked some more questions about it. Within a couple of weeks, it became pretty clear that we were committing to award contracts that would take us over what we anticipated was a statutory cost ceiling. It might not have taken us over that ceiling in fiscal '95, which was the budget I was looking at, but would have in '96 or '97. So ending up, you're sort of driving a car right up to the cliff. You got the front axles hanging out over it, and then you turn back and tell Congress, "By the way, we need an increase in the cost ceiling. We have

Bureau of Reclamation History Program

contractors working, and if we don't get it, we're going to have to pay damages."

We pulled back funding that we had requested that would have been committed to awarding those kind of contracts and took a look at the Salinity Control Program, considered what we accomplished and what it is, another approach of doing it. I talked with the basin states that are the principal supporters of the Salinity Control Program and let them know that—and they had been anticipating that at some point the program would face a need for additional authorization for funding, but it was just coming a year or two sooner than they had anticipated. So I told them that they needed to address the issue sooner rather than later and that they would need to think through the basic rationale for the program, why do we have a program, why are we doing something special in the Colorado River basin that we're not doing in the Connecticut River basin?

Initially, I think that their reaction was one of great concern. There was this new unraveling going on. But we laid out a process with them where we would be seeking public comment and letting people know that the authorization needed to be reconsidered, and we'd be seeking public comment on what the justification for the program is, what the value of the program is, what it's accomplished, ways that might be able to improve it. We ended up with a lot of comments. [Unclear] support was put on the record for the program. Some criticism.

We came up with an approach that would actually be a little bit better fit from the state's concern, to the state's objectives, which is to open up the program, move it out of the realm of being in essence a traditional Reclamation program, a traditional Bureau plan, Bureau design, Bureau construct, and you repay us pennies on the dollar kind of program, to more of a grant assistance where we identify the objective, which is salt in the river, and indicate that we will entertain proposals that people might want to make for requesting financial assistance for activities that have the effect of producing salt in the Colorado River, and that we would solicit proposals. We would bash them and we would rank order them based on the dollars per ton of salt, and, in effect, we would purchase salt.

We would have the program basically be based on the cost of-cost effectiveness would be the standard that we would use. And the states were fine with that. They are fine with that. We've ended up jointly supporting legislation that will authorize both additional funding for the program and this revised format for the program.

Six months before joining the Bureau I would not have predicted that I would have been spending very much time on the Colorado-

END SIDE 2, TAPE 1. APRIL 4, 1995.
BEGIN SIDE 1, TAPE 2. APRIL 4, 1995.

Storey: This is tape two of an interview by Brit Storey with Edward Osann on April 4, 1995.

You were saying that six months before you came to Reclamation you wouldn't have been predicting spending much time on Colorado River salinity control. I'm interested, though. I guess I have a misunderstanding. I thought the Salinity Control Program was because of a treaty obligation with Mexico, we were reducing the salt load in the river in order to deliver a higher quality water to them. I don't understand why the states were paying for it.

Overview of the Salinity Control Program

Osann: Well, the Salinity Control Program is divided between Title I and Title II, and what I've been speaking of was the Title II program. The Title I program is essentially the Yuma Desalting Plan, and that is tied to our treaty obligation to Mexico. The treaty commitment that we have with Mexico is that we will deliver water at the international boundary that is within an acceptable range in terms of additional salinity content to the water that reaches Imperial Dam. In other words, if it's good enough for our own larger water users in that area, like the Imperial Irrigation District, the Coachella Irrigation District, and so on, then Mexico will accept that. They'll accept it if it's that good or if it hasn't deteriorated more than, I think it's 115 parts per million additional.

The problem with salinity, from the standpoint of our international obligations, was that at a point on the Colorado River below Imperial Dam, which is the last large turnout, the Wellton-Mohawk Irrigation District was sending highly saline return flows back to the Colorado, so that the last of our major users got their water at Imperial, and then below Imperial came drain water that was of such poor quality that it degraded the water to a substantial degree below the quality that we were delivering to our own users at Imperial Dam.

The Mexican Treaty obligation was not expressed in terms of meeting some absolute standard of salinity. My recollection of the obligation is that it's to keep salinity within an acceptable range of the salinity that is measured at Imperial Dam, and to accomplish that, the Bureau constructed the Yuma Desalting Plant. Now, there would have been other ways to accomplish that. Retiring additional lands at Wellton-Mohawk would have been one way of doing it.

But that die was cast before we arrived in 1993, I'm afraid. As a result, we spent well over \$200 million, close to \$300 million on the Yuma de-salter, and it doesn't need to operate right now because the river conditions are within an acceptable range. Even just keeping the plant on standby is expensive, so it's a real dilemma that we're working through. We'll probably have approaches to the Title I salinity issues within the coming year.

The Title II is a general effort to reduce the salinity in the Colorado River basin upstream from Imperial Dam, and in that effort there was some nominal non-federal financial participation area below Imperial Dam, which is essentially the Yuma plant, is 100 percent federal.

Storey: To go back a little ways, you had mentioned that you had called the area manager at Yakima, I believe it was, and talked about issues of water transfer and how to deal with short water supplies and that kind of thing. I don't understand why you would have been doing that instead of Austin Burke as the supervisor of the regional directors and area managers would have been doing that. I don't understand how the responsibility is divvied up and where Austin would be calling, where Don Glaser would be calling as the director of the Program Analysis Office, or where you would be calling as the director of the Policy and External Affairs Office.

Osann: You had asked for my description of all three, and I didn't get to the third. I kind of elaborated on the second, being my own.

Reclamation's Upper Management Responsibilities under Reorganization

I think that Don Glaser's office, as far as his office goes, is to provide policy support and program review support to the commissioner on current issues, issues that are of current interest to the commissioner. That's

the principal function is program evaluation, program review, policy options, that sort of thing.

Dan has ideas. I have ideas. These are ideas that people from the incoming administration have. It's one thing to have an idea, and it's another thing to be able to carry it out. The role of Don's office, as I see it, is to take an idea that is important to the commissioner and to be able to review its impact on the organization, the specific considerations that enter into taking a concept and putting it into practice, and that can involve identifying specific options, it can involve identifying administrative tasks, it can even involve carrying out some of these administrative tasks.

In some cases, Dan or I will have a very generalized idea, and in effect will be handing to Don and his staff almost a blank canvas. In other cases, our ideas will be a lot more formed, they'll be more specific, and so we'll be looking for a narrower range of considerations or activities. Here's the idea. Provide the documentation necessary for Dan to sign to carry it out.

That, I think, is the key role of the Office of Program Analysis. Across Don's four or five teams, they have different kinds of disciplines clustered together. Some of them have to do with financing and repayment type issues. Some of them have to do with other kinds of things. It's Don's office that is

reviewing all of the Reclamation instructions. It's part of the reinvention effort, it's part of the reorganization of the Bureau, it's part of the delegating out of responsibility. Dan committed to a review of all of our existing Reclamation instructions, with the idea of sun-setting all of them that we didn't absolutely have to keep. So we've got ten feet of shelf space that's being reviewed, some of which we know already we can simply do without. Others will have to be updated, some will be modified, and most will be converted from sort of [unclear] directives and instructions to guidance. That activity is being done by Don's staff, and that's appropriate. It should be done in the commissioner's office with career staff people that have some technical competence in these areas, not in one specific region or one specific area office.

Now, getting back to your question with regard to a particular area manager. There are area managers and regional directors that are dealing with Austin on various issues that I'm not aware of, and that's fine. I don't need to be aware of all of them. The Yakima [River] basin is an area that there is pending legislation on, where the commissioner's office is under some political pressure to do something, to show some results, to be responsive to concerns.

I think while initially most of that interest and appeal was couched in terms of legislation, here's a bill, we want your support, there are limits on how fast a bill can move, how effective

a piece of legislation can be to remedy a problem, and we could tell in April of 1994 that no matter what we did and no matter what Congress did based upon any recommendations that we might make, that 1994 was going to be a tough year. So that's why I talked to him.

Storey: Okay.

Osann: Like I said, there are other issues that Austin Burke has occasion to discuss with regional directors or area managers. I would say fewer, perhaps, for Don. Don has also taken on some special assignments, as have I, that the secretary and the assistant secretary wants to have done. They want some senior person at the Bureau to be working on it.

I've been working on the Platte River issues, issues of concern by the three basin states—Colorado, Wyoming, and Nebraska—almost since the time I arrived. I think that within two weeks of my arrival in the job, I was on a plane to Lincoln, Nebraska, to talk to people on the governor's staff about current developments on the Platte River, which was fine. It's an issue I had quite a bit of exposure to. What emerged from that was a set of discussions with representatives of the three governors that have evolved into monthly discussions that have been going on for probably the past fifteen months.

Don has taken on some special assignments, heading up the Bureau's

negotiating team with the Central Arizona Water Conservation District on C-A-P [Central Arizona Project] financial restructuring, and he's also doing some work, at the secretary's request, on the San Pedro River in Arizona, dealing with some development issues in the San Pedro basin.

These things, for both him and for me, they take time away from our job as depicted on the organizational chart. Don has a larger staff and a staff that I think is accustomed to closer direction. I've got three branch chiefs or division chiefs or whatever you'd call them who have access to Dan, Dan has access to them, whether I'm here or not. Don has four or five team leaders, who, I think, feel like they have limited ability to go beyond the Office of Program Analysis, going through Don. So I think it's been harder for his operation than it has for mine with respect to tasks that we've been doing for the assistant secretary and the secretary.

Storey: The three offices, as I understand them, Congressional Affairs, Public Affairs, International Affairs, where does Shannon Kaniff [phonetic] and the other sort of caseworkers fit in all this?

Osann: I'm going to have to wrap up here because I've got someone here to see me.

Storey: Oh, okay. Well, why don't we save that for another time, then?

Osann: Well, we can, although this has been a lot on organization. Maybe I can just field this question and wrap it up.

Role of Issue Managers

After I'd been on for a few months, on the job for a few months, and Dan had been on the job for a few months longer, we sort of compared notes about how it's going and we think we need to get where we want to go, and I think we both sensed that within the Washington Office of the Commissioner we had functional units that had been convenient for the previous commissioner and operating under the previous organization, but were, again, not exactly the instruments that were going to be most helpful to this commissioner and the new direction for the future of the organization.

I think we both felt the need for a group of people who, by virtue of their experience and their temperament, if you will, their world view, that they had an understanding of how public policy issues evolve and could act themselves to shape the development or the evolution of the public policy issue to reach outcomes that the commissioner might desire. For want of a better term, we just kind of coined the term "Issue Manager," where there are key issues that are important to the commissioner that have to be addressed, and the commissioner's interest is not always going to be 100 percent identical with the perspective

that other units within the organization may have.

The Hoover Visitor's Center, Dan has asked specific to take on the Hoover Visitor's Center that is one that is not to obscure problems that we've had with the Visitor's Center, but to identify and elaborate on the problems that we've had with it as a we all need to learn from this. Let's not call it anything other than a mistake. Mistakes were made, and let's all learn from the lapses, the organizational lapses that we had, the lapses in oversight, the way we were able to exploit loopholes in things like cost ceilings that allowed this to come about, with costs that took everybody by surprise, everybody except some people.

Now, the Visitor's Center continues to have a series of issues that are spawned by that fundamental fact of this enormous cost overrun. Our relations with power customers, our relations with vendors, our relations with the congressional delegation, and the lower Colorado [River] basin particularly for that. I was involved in trying to close negotiations with power customers on a new agreement with each of the power customers that are served by Hoover to address some of the concerns that were raised, among other things, by the Visitor's Center.

The negotiations that have been under way involving our staff had kind of reached a point where they weren't going any further. It

was necessary, from Dan's perspective, to see whether we could push those negotiations through to a successful conclusion. Now, we didn't have a full complement of issue managers at that point, so I got on a plane, I went to Nevada, and I finished off the negotiations and we have an agreement that's been signed. But that's something that an issue manager could have, should have, been able to do.

The work of the issue managers is a mixture of some of the commissioner's new initiatives and some of the old problems that we're stuck with and that we have to deal with effectively to have an effective tenure here at the Bureau. So each of the issue managers, I think, with some exceptions, they tend to have a mixture of sort of old problems that need more attention and new initiatives Dan has identified that we're trying to carry down field.

It's not as though they will have the responsibility to—let me rephrase this. They're not here to do somebody else's job for them, and I think that's both a perception and a peril that they could easily fall into, we could easily fall into, others in the organization could easily fall into. We have, in fact, delegated out responsibility, and we don't intend to pull back every time there's a problem that's encountered by an area manager or regional director.

I think in other organizations they might be characterized as special assistants, but in our organization, we identified a new need, I think, and wanted to have people who were mid-

career or beyond and people who had a sophisticated enough understanding of public policy that they could take an issue and they could work it in whatever direction it needed to be worked. If that direction led to Indian interest groups, then they go there. If it involves dealing with folks on Capital Hill, then they go there. If it involves dealing with other entities within this organization, they deal with that. If it involves other folks in other federal agencies, they can handle that. If it involves dealing with the press, they can handle that. That's what we're looking for.

I think we've got six people pulled together, and generally they have individual responsibilities. There's cross-fertilization and encouraging them to take advantage of each other's strengths and perspectives that they bring. We brought four people in from outside the organization to be matched with two people from within the Bureau. They need to be able to draw upon the resources that are in this organization, to bring those resources to bear to solve a particular problem that's of current importance to the commissioner. They have individual responsibilities on a couple of issues. There are a couple of them working together. I think they seldom act as a team on one issue, but there will be, and is, plenty of cross-fertilization of ideas between them.

Shannon Kaniff is the senior issue manager and their nominal supervisor. She's their supervisor for purposes of performance evaluation, for instance. But again, she doesn't

interpose herself between the other five and Dan or I. I don't want her to have a real heavy administrative role to play, because she has the kinds of talents and skills that we're looking for in an issue manager, and we want her to be an issue manager and not a personnel administrator.

Storey: Well, I appreciate your taking time with me. I want to ask you if you're willing for the cassette tapes and the resulting transcripts from this interview today to be used three years after you leave Reclamation, as you were in the last interview.

Osann: Yeah.

Storey: Thank you.

END SIDE 1, TAPE 2. APRIL 4, 1995.
BEGIN SIDE 1, TAPE 1. AUGUST 31, 1995.

Storey: This is Brit Allan Storey, senior historian of the Bureau of Reclamation, interviewing Edward Osann on August 31, 1995, at the Cosmos Club in Washington, D.C. It is about seven o'clock in the evening, and this is tape one.

I believe you wanted to talk about your time at Reclamation and what's happened and your perspectives on that.

Evaluating Reorganization Efforts

Osann: I started with the Bureau in the position I'm in now in October of '93. Dan had been

confirmed in May of '93, and my appointment had been cleared through the secretary's office. I was told by some time in June, but the process of securing White House approval, which was generally thought to be notoriously slow, certainly seemed to be the case in my case, and it wasn't until mid-September that I got clearance through the White House.

I was in touch with Dan off and on during the summer of 1993. I think that he spent a good deal of his initial time at the Bureau on organizational issues and less on policy issues, per se, and I think that actually served him very well. He didn't plunge off into major policy initiatives or controversies for the most part, but just concentrated on how the organization needed to be shaped or reshaped, and frankly, these were areas that at that time I was not in a position to make much of a contribution to that effort, anyway. My strength was going to be in the area of more in resources policy analysis.

So when I came on, the development of the commissioner's *Blueprint for Reform*¹² was pretty far along, and I think the blueprint itself may have come out in early November, something like that. I started on a Monday, and the previous Friday the Bureau had sent

12. Reclamation published Commissioner Daniel P. Beard's *Blueprint for Reform: The Commissioner's Plan for Reinventing Reclamation* in 1993 as one of the vehicles for his reorganization of Reclamation in 1993-1994. Another vehicle was the Commissioner's CPORT team report—"Report of the Commissioner's Program and Organization Review Team" which Reclamation published in 1993.

over its FY '95 budget to O-M-B [Office of Management and Budget]. When I got there, I said, "Dan, I know you sent the budget over, but do you mind if I just take a look at it, go through it?"

He said, "Fine."

So I spent part of the first week I was there just going through the proposed budget. I came across some language which I had recognized from past years relating to cost ceilings for certain projects and the Bureau acknowledging that what cost ceilings might not be sufficient to complete the project as originally authorized. They were requesting additional funds, and if and when the ceiling became an issue, Congress would be appropriately notified.

Well, my experience had been this kind of language was used to gloss over problems associated with projects not being able to be completed within their original concept, within their original cost ceiling index for inflation. One of the areas that this showed up was on the Colorado River Salinity Control Program, the Title II program for the Colorado River basin. So I asked our budget staff, Gerald Maccon [phonetic] on the budget staff, to give me a little bit more background on this, and the initial round of answers were not very responsive, really, when you get right down to it. They were really not on point.

So more time elapsed. I recast what I was looking for. What I was looking for was their determination as to what the cost ceiling was, what is the cost ceiling, what is the authorized ceiling, and what methodology did they use to compute it, and also what the nature of the commitments we were undertaking with the '95 request. We had a combination of activities to be funded. Some of it was ongoing work, work under ongoing contracts, and some of it was awarded new contracts, and I wanted to get a sense as to what kind of dollar commitments we were undertaking in awarding these new contracts.

My working approach to this was that if we had a problem, we wanted to tell Congress about it sooner rather than later, if we had a problem in complying with the cost ceiling. I didn't want to see us just drive the car right to the edge of the cliff, and with the front axle hanging off, turn around to Congress and say, "Oh, by the way, we do need more money." We ought to be a little bit more frank in our discussion of these matters with the Congress.

Problems with Formulating Cost Ceiling Estimates

A couple points of information emerged from these discussions, but it took about three or four weeks, actually, to really kind of draw this all out. One was that it was virtually impossible to replicate the computations as to what the cost ceiling was, that it had always been done as an iterative process, that they

would take the previous year's determination of the ceiling, index it for a year, and that was the new ceiling. And they would index it for another year, and that was the next year's ceiling, and so on.

They only saved data from the last few years, so the institutional memory as to how we went from a dollar figure that was contained in the 1974 statute to how we got to, within the last couple of years, what the dollar ceiling was that we were reporting in the 1992, '93, and '94 budgets, that was all gone. At least that's the information that I was told. So we couldn't really corroborate what the cost ceiling was. We couldn't really replicate the determination of the ceiling. But what we did conclude was that the contracts that we would be awarding in that proposal in the 1995 budget request were multi-year commitments and that those commitments would take us over the cost ceiling, as we had computed it.

I mentioned this to Dan, and he shared the view that we ought not do that. There was a lot of apprehension. There was apprehension in our office in Salt Lake City and I think also in the project office at that time, the project office soon to become the area office in western Colorado, where a lot of this salinity control work was done. In subsequent months, when we communicated what it was we were doing, there was a lot of apprehension among the Colorado [River] basin states as to what we were doing. So we pulled back from the '95 budget request funds that had been sought to

award new contracts for salinity control and we revised the language that we were forwarding to Congress and explained that we were, in fact, approaching the cost ceiling and that we were requesting money simply for maintaining ongoing commitments, and all those would be kept within the established cost ceiling and we intended to explore new legislation.

I went to the Colorado [River] basin states. They have an organization called the Salinity Control Forum, which is a forum, literally, for them to address salinity issues and their joint interest in how salinity issues are handled. The approach that we took with them was that there's a reason for having a cost ceiling in legislation, and that is that you present to Congress a concept for a project or whatever and an approximate amount of money, which in most cases is subject to some indexing to account for changes in costs over time. Now, if you cannot complete the works that you're authorized to do roughly within that cost ceiling, then what's happened? Something fairly significant may have happened. And so that cost ceiling is an opportunity for Congress to check on the direction, the pace, the accomplishments of the activity that's been authorized.

Reviewing the Colorado River Salinity Control Program

I told the basin states that we're going to need to go through a process here to, in effect, justify what it is that we would be

seeking in additional authority and that we're going to have to start almost from scratch. Why do we have a salinity control group? Why do we have this special program for water quality improvement above and beyond the wastewater treatment grant program, a revolving loan program that's available nationwide? Why do we have this special federal obligation here in the Colorado basin that we don't have in the Connecticut River basin? What's different about this? And if we have an obligation, do we still need to pursue it, and if we still need to pursue it, do we need to pursue it in the same way? Are there other approaches that we can take to accomplishing the objective and meeting our obligations, if we have any obligations?

I posed to them an interconnected series of three or four questions, and I said, "We're going to go out to the public and ask these questions. We're going to solicit public comment on this," and the apprehension was palpable when I told them we were going to do that.

I said to them, "I'm assuming that you folks have answers or can develop answers to these questions, because if we pursue legislation, there will be people from Connecticut and Ohio that may well want to know why it is we're doing this." And if we're asking for a significant commitment of funds, it was apparent even in 1993 that new funding was going to be hard to come by.

We agreed with the forum roughly on a schedule of preparing materials, background materials that could go out to the public, and having a public comment period and reviewing the comments and digesting them and beginning to prepare legislation, if that were the course that we would take. As it turned out, we got sixty or eighty sets of comments. They were broadly supportive of pursuing the program. They were also supportive of making some improvements in the program, being open to more innovative ways of meeting salinity control objectives.

From that, we were able to develop a consensus around a significant additional commitment of dollar resources, \$75 million, and a whole new way of approaching the Title II Salinity Control Program. We had had a program that, while the purpose was somewhat different, the manner in which we pursued it was very much like a traditional Reclamation program—Bureau plans, Bureau designs, Bureau constructs type projects, very project oriented, and relatively little cost sharing. There was some cost sharing on this program.

In the course of twenty years, we were still a long way from where we wanted to be in terms of salinity objectives for the river, and we spent a bunch of money. So the new approach that we developed was one where the Bureau would—oh, and incidentally, under the traditional approach, each individual project needed to be authorized by Congress. So the new approach that we sought was an amalgam

of two ideas. One was that we would not have to have individual projects authorized by Congress, but that we could get a one-time authorization to pursue salinity control projects with greater flexibility. The other was that we would not rely on Bureau plan, Bureau design, Bureau construct, but rather we would pursue the Salinity Control Program in a way that would encourage non-federal interests to come to us with projects, or with pieces of projects, for which they could identify a salinity reduction, salinity control benefit, and that we would solicit people to do that. We would solicit local interests. We would solicit non-federal interests, state interests, whoever, private corporations, to bring salinity control proposals to us and we would rank them based on their cost effectiveness, dollars expended per ton of salt removed or some such quantitative measure. We would rank order them based on their cost effectiveness and we would take a limited amount of money and put them where we got the most bang for the buck.

The states warmed to that idea very quickly. The states had previously been encouraging the Bureau to commit salinity control dollars for the projects that were more cost effective in terms of [unclear]. When we framed this as, we'll operate the whole program on that basis, they kind of liked that idea.

The upshot is that we basically kept the commitments that we made to work through this process. The process did result in a consensus emerging. We got bipartisan

support for these ideas. Once that Congress saw that the Bureau and the states were on the same wavelength, they just took the ideas we were working with and put them into legislation. We testified in support of the legislation, and it got passed and signed into law about, I guess, six or eight weeks ago. We had been hoping that it might have been done in the last Congress, but it didn't quite get done in the last Congress. There's always a chance of delay when you go from one Congress to the next. This measure got picked up pretty readily in the new Congress, again had bipartisan support, and we got \$75 million in additional spending authority during times when programs are contracting all over the government.

So I think that that worked out quite well, and I think it grew out of some frustrations with the traditional Reclamation approach to problem-solving and openness to considering new ways of going after some of these objectives. But that's an effort that actually started the first week I came on. It's not all that often in the government that you can see a particular problem, or even a particular piece of a problem, kind of start to finish, see the thing evolve through all the processes.

Of course, passing law is not the end of the story. It's really sort of the beginning of the next phase, and the proof of the value of this will come in the next couple of years when we do, in fact, solicit proposals for non-federal initiative for salinity control, and we'll see what we get.

Storey: Do you see that the nature of the program is going to be changed?

Changes to Reclamation Programs under the Reorganization

Osann: I think that we will tend to get smaller projects or tend to get pieces of projects that may be being built for other purposes, a district making improvements in its system and they claim a salinity control benefit for some of the work that they're doing. They may not need the whole thing to be paid for by the Bureau. They may only need part of it to be paid for to make the thing work. In fact, because we'll be ranking these on the basis of their cost per ton removed, and specifically the cost in terms of federal dollars per ton removed, they will have an incentive to basically keep the amount of federal funding that they'll be seeking to what they reasonably think they need to make their project viable, to better assure that they'll be at the top of the list in terms of dollars per ton. So the established minimum cost-sharing levels in the act may not mean much. I think it's like 30 percent non-federal, or something like that. We may see projects that come in 50 or 60 percent non-federal because their sponsors really want to go forward with them and want to have assurance that they will score, under our ranking, at the top of the list and that they have a better chance of going forward in the near term. At least this is the way we anticipate it could work. We may find that there are wrinkles in this that we don't anticipate. The consensus that has gathered around this is, I

think, kind of the markable given that a lot of aspects of water management on the Colorado River tend to be kind of controversial.

Storey: Yeah. I'm not sure whether it was part of Title II, but the desalting plant in Yuma was a component of the overall program, and my understanding is it's now been mothballed.

Osann: Yeah. Actually, I wish we were a little bit further along in our thinking about what to do about Yuma. Yeah, the plant is basically in a standby status, but it still costs us—I think we pay at least \$6 million a year just to keep it on standby, maybe more, \$6, \$8 million, something like that. A lot of it is the cost of custodial costs for the membranes, and a lot of that cost is refrigeration. Their shelf life is prolonged by keeping them at cooler temperatures, and we refrigerate some of the membranes on site and we refrigerate others, I think, in a refrigerate warehouse in San Diego or someplace like that, and it's just expensive.

We have a new area manager, new within the past year or so, and he has, I think, taken on—he understands the challenge that he's got, and I think he's taken on a little bit of an entrepreneurial kind of mind-set in terms of looking for potential uses and users for the facilities that they've got. In addition to the big plant, we've got in a separate building what was originally a 1 M-G-D pilot plant or test plant.

Storey: That's 1 million gallons per day?

Osann: I think it's 1 M-G-D capacity.

Storey: Okay.

Osann: That is supplying water to the site right now. That's supplying the needs of the facility. We have our Yuma area office at the desalting plant, so we've got whatever our staff is for the Yuma area office, and that office has a lot of responsibilities with regard to the lower Colorado [River], the maintenance in the lower Colorado channel. So I think we've got 150 employees, something like that, at Yuma.

Anyway, he's looking for potential users for that smaller facility, maybe as the test bed for desalting techniques. He's also looking at the possibility of the city of Yuma, which at some point the city of Yuma will need to expand its potable treatment capacity, with them being able to use part of the facility that we've got. In addition to the actual membranes, the desalting membranes, we've got a front-end treatment component that is quite similar to conventional water treatment, and that has significant capacity there. The capacity is not being used at all right now, and that could be made available to the city of Yuma. It could be made available under pretty satisfactory terms on both parts, I'm sure.

But that raises questions about the standby status of the plant, how firm that capacity is and needs to be in the future to maintain desalting capacity. We've prepared a set of options for how to handle the de-salter,

ranging from complete shutdown, abandonment of the plant in effect, decommissioning, to various stages of preparedness or standby status. We may not even have gotten all of the best options in the four or five that we've laid out. Like I said, I just wish we were a little bit further along. I think from a policy standpoint, what we have with the desalting plant is essentially an insurance policy. We don't need to operate it right now, so we're not operating it. The Mexican government has been willing to accept saline—

END SIDE 1, TAPE 1. AUGUST 31, 1995.
BEGIN SIDE 2, TAPE 1. AUGUST 31, 1995.

Storey: You were saying that the Mexican government was willing to accept saline.

Salinity Issues in Regards to the Water Treaty with Mexico

Osann: They were willing to accept saline return flows from Wellton-Mohawk, provided they stay out of the main channel. They'd route them down to I think it's called the Cieniga de Santa Clara. It's really kind of a wetland area closer to the delta, or former delta, of the Colorado River. That's been acceptable to them, and the proviso for them is that it doesn't count against their 1.5 million acre-foot commitment under the international treaty that we have.

Through the lining of the portion of the Coachella Canal, we have, in effect, a dividend of saved water that the federal government uses

to make up this amount that goes down in Wellton-Mohawk return flows, so the states don't feel that they are losing any of their entitlements, Mexico doesn't feel it's losing its entitlement. At some point in the future, this set of arrangements may not be able to continue. We may not be able to keep all the credits that we have accumulated for saved water. But the question is, how long will current conditions prevail? How much advanced notice will we have that things are changing so that we know when we'll need to start up the de-salter, or some portion of it?

It strikes me right now that keeping it on standby is kind of an insurance policy, but the premiums are expensive, out of proportion of the hazard that we're insuring against. It's quite unlikely that we're going to have to start this up on a year's notice anytime soon, so why pay to maintain it in a status where we can start it up in a year's notice? That's sort of the dilemma that we're looking at.

I think it's a solvable problem, but it's one that, again, is going to need to be walked through and talked through with the Colorado [River] basin states. I don't think the states will find it at all acceptable for us to simply abandon or decommission the plant. I think that there's widespread recognition that, had we to do this over again, we wouldn't do this the same way. We spent, I believe, well over \$300 million, perhaps \$400 million, on the Yuma de-salter

and associated facilities.¹³ It's the largest reverse osmosis desalting plant in the world. But there are more cost-effective ways of dealing with the problem. There are more cost-effective ways of curtailing the saline return flows in the vicinity of the international boundary that is essentially the cause of the problem. As I said, had we to do it over again today, I don't think any of us seriously doubt that we would want to do something different. But having some \$400 million into it, I think that the states particularly would be reluctant to see us decommission it. In the course of preparing for the 1996 budget—

Storey: That would be the subsequent year after you came?

Osann: Yeah. It would be the first full year I was there. I've always been struck by how far in advance federal agencies have to pull numbers together for preparing a budget. But in sort of the February time frame, we began work on—and actually, there are some teams that are at work on this stuff in December and January. But in February, we start more formal deliberations on preparing the budget that will not be actually submitted by the president until the following January, and it will not go into effect until the following October. So that's,

13. For more information concerning legislative guidelines for the Yuma De-Salting Plant, see "Colorado River Basin Salinity Controls Act," June 24, 1974, in USDOl, BR. *Federal Reclamation and Related Laws Annotated*, 1967-1982, 2857-76; see also Lara Bickell, "Colorado River Basin Salinity Control Project," Denver, Colorado: Bureau of Reclamation, 1999.

what, eighteen months, or something like that, and it's at a time when the previously submitted budget has just been submitted. It hasn't been acted upon by the Congress. Anyway, lots of lead time is necessary.

We have an administrative structure called the Budget Review Committee, or B-R-C, that had been set up, I think, under Dennis Underwood¹⁴, perhaps the tail end of Dale Duvall's¹⁵ tenure.

Storey: Dale Duvall's, yeah.

Budget Review Committee Process

Osann: But through most of the years that Dennis was there, they did [unclear]. There's a group of people that are drawn from different elements around the organization as a committee to review the budgets proposals that each of the regions fashions for its area and also the budget proposal that the Denver office fashions for its activities. Initially, Dan was kind of ambivalent about this, but decided to keep it, and I think

14. Commissioner Dennis Underwood participated in the History Program's oral history project, see Dennis B. Underwood, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Brit Allan Storey, senior historian, Bureau of Reclamation, from 1995-1998, in Los Angeles and Ontario, California, Edited by Brit Allan Storey.

15. Commissioner Dale C. Duvall participated in the History Program's oral history project, see Dale C. Duvall, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Brit Allan Storey, senior historian, Bureau of Reclamation, January 26, 1993, in Washington, D.C., Edited by Brit Allan Storey.

was struck by how useful it really is to have project managers from different parts of the organization and practitioners of one sort or another sit on a committee and review the work. It's sort of peer review, really, of what folks are proposing. I served on the B-R-C for preparing the '96 budget.

In the upper Colorado [River] basin, we had a couple projects that were approaching completion, and one of the admonitions that we were trying to convey in the preparation of the '96 budget was, try to bring construction commitments to a conclusion quickly and review carefully sort of the end game on these projects, move rapidly to conclude our construction activities, carefully review remaining construction expenditures, identify break points in this activity where the federal responsibility can appropriately be terminated and local responsibility can be assumed, can be picked up. Do we really need to put in six miles of fencing before we can call this project finished, or can we move this project out from a construction mode to an operational mode, deliver water, secure benefits, secure a repayment stream, and leave that fencing for the districts to accomplish, if they really want to accomplish it. That's just hypothetical but that's sort of the idea.

We had some requests for projects in the upper Colorado [River] where big chunks of the remaining work had to do with fish and wildlife mitigation, which is not unusual. There had been a tendency in the fishing program to

push the fish and wildlife mitigation off to the end of the process. One of these was the Dolores Project in Colorado, and Dolores, we'd already spent over half a billion dollars on, and it didn't appear to anybody that we had really tried to be particularly frugal in our approach to this particular project.

We asked about some of this mitigation money, and the region indicated that it was to acquire water for mitigation purposes, and they explained how we got into this commitment to acquire water for mitigation. We asked them how much water and what they were going to spend this money on. They gave us those numbers, and the stuff penciled out to be they were proposing to acquire water for over \$2,000 an acre foot. We asked them, "Are we acquiring city water for mitigation purposes? This is a rural area, right?"

They said, "Yes, it's a rural area."

"Well, are we bidding against any cities?"

"No, we're not bidding against any city."

Two thousand dollars an acre foot seemed awfully expensive for irrigation water, and it's pretty high-altitude country there. This is not the Coachella Valley, with a 360-day growing season. Some of this farmland is really marginal. Something seemed out of whack. It seemed out of proportion. So we asked them

to basically take this guidance to heart, that they needed to clearly identify what remaining work needed to be done, clearly try to distinguish between what were federal responsibilities to conclude the construction status of the project versus things that were sort of nice to have but not really essential, needed to review the mitigation program to find more cost-effective ways to accomplish our objective, not that we needed to compromise our objective, but we needed to find more cost-effective ways to accomplish it.

Overall, we identified kind of a pot of money, sort of an allowance, this is what you've got to finish the project. You need to go and you need to talk to the district about this, and essentially you need to represent the interests of the taxpayers of the United States here in wrapping this thing up.

It turned out to be a difficult concept initially for the staff, the area office staff, to kind of get a handle on, and six or eight months went by without any sort of real progress. It was just kind of trying to find their way a little bit and meeting with the district, and the district would kind of chew them out and what next and that sort of thing. They wanted to get me down to talk to the district, but at the same time, we had consummated the reorganization. The reorganization and the delegations of authority that were contemplated in the commissioner's *Blueprint* in November of '93 I think went into effect in June of '94. So we really want them to kind of figure this stuff out, and yet they were

having difficulty pulling threads together. They were having difficulty with some of the concepts, let alone some of the specifics. Meanwhile, they were getting browbeaten by the district and some of the local interests that couldn't understand why we were not simply continuing to spend our way out of whatever problem was identified.

I was going to go down to Cortez [Colorado] in September, and then I couldn't do it, and I ended up going down in maybe late October or November, and had one of the more difficult public meetings that I've had since I've been with the Bureau. They met with the district, and the district brought in this sort of loose committee of local interests that they'd been working with on some of these mitigation plans.

I think the reason that the mitigation was so expensive was because there were a limited number of sellers and the district was steering the Bureau to the high price water and purposely sort of ruling out of bounds other water that could be available for this purpose, maybe even without cost or nominal cost. The challenge for Bureau staff was to convey the notion effectively, "Look, there's only so much money that we've got to work with to finish this project up. We do want to meet our environmental commitments, but that's not the only thing that's going on here. We've got remaining construction work. There was a very long list of supposed construction deficiencies, kind of punch list of things that the district felt

needed to be done, things where work had been done but it wasn't satisfactory, and so they had to work through the punch list. They had about four, five, six issues, all sort of related to closing out construction.

I sat through this public meeting, explaining from our perspective what we were trying to accomplish here, and it seemed ironic to me that one of the people there that was most aggressive and most relentless and pounding on us was one of the local environmentalists, who felt that we had a clear commitment to acquire water for fisheries purposes and it really didn't matter what it cost, and whatever it cost was our problem. He was tough.

But we didn't really change course as a result of that meeting. In fact, we went back to the district within a couple of months and initiated a series of discussions or negotiations. I just got word this week that those discussions have finally born fruit. The district is reconciled to the amount of money that we have to finish the project. They have found water for us to commit for environmental purposes. In addition to that, we're going to enter into a short-term lease with the Ute Indians to lease some unused Indian water that's in storage for fishery restoration purposes or fish augmentation. That's short term, and that's going to allow for a local fund-raising effort, through non-government organizations, to raise some money to acquire some more water for fish. We've worked out, I think, the issues on the punch list

so that we stay within the budget. We're going to approve some water transfers that the district wanted us to approve, but that we weren't going to approve until we had resolution on some of these other issues. It sounds like things have finally come together and that they say they are working towards getting an agreement signed by October 1st.

Difficulties in Changing Reclamation's Culture

I think back on that, and there were several things going on at once. The area manager concept was kind of being put to the test. We had a new area manager there, not just that the responsibilities of project managers were now different because they were area managers, but we had a new person there in Grand Junction, Carol D'Angeles [phonetic], and it was her responsibility to kind of shepherd these negotiations through with the district.

Had an interesting development. In late 1994, when we were putting together the basis of specific negotiating objectives that Carol and her team would take in to negotiations with the district, we were grinding away on the details of this and maybe making proposals, and we'd talk about them with them. Some of these were thorny issues, and it took a couple iterations to run through it. It occurred to me that we could very easily fall into the trap and grinding real fine on the details of what our negotiating position was going to be and then turn around and get completely creamed in the press and public opinion and the politics of the situation

just get away from us entirely. So I suggested to Carol and to Charlie Calhoun [phonetic] that we were far enough along with the concepts that we were pursuing in these discussions that they ought to arrange a series of visits to editorial boards around Colorado.

At that time, Carol D'Angeles didn't know what an editorial board was, and Carol was a member of the CPORT Team.¹⁶ I mean, Carol was not a stick-in-the-mud within the organization, with her head in the sand, by any means. She was one of the up-and-coming stars of the organization, which is why Dan named her to be an area manager, a new area manager. But yet, here one of the best and the brightest of the up-and-coming people that we had didn't even know what an editorial board was. It's, I think, a reflection of the transition of the organization in a sense, that there are broader constituencies there, and that it's not just the commissioner's job, it's not just the job of the people in the Washington office to be thinking about how the Bureau relates to its constituency or how the Bureau is seen by the press, but rather that's now part of the area manager's job and that in some of these circumstances it's going to be absolutely crucial to being effective.

16. The "Report of the Commissioner's Program and Organization Review Team" which Reclamation published in 1993 is commonly known as the CPORT (pronounced "see port") report. It was one of two major 1993 documents produced during Commissioner Beard's reorganization of Reclamation. The other document was Commissioner Daniel P. Beard's *Blueprint for Reform: The Commissioner's Plan for Reinventing Reclamation*.

Well, they made the rounds of the editorial boards, and Carol told me afterwards, "Gee, this is great. Gee, I'm really glad we did this." They got a good reception, and I think the result was, they went and they laid down a proposal that was pretty hard-hitting and significantly short of what the district wanted, and yet they did not get broadsided in the press, they were not exposed to uninformed press criticism of big brother beating up on local folks. They've been able to pursue these discussions with the district in a more reasoned matter, without the whole thing just completely spinning out of control, and we're going to get an outcome that sounds like, from what I can tell, is pretty reasonable. I doubt we're going to get 100 percent of what we were after, but it sounds like we can achieve most of the objectives.

So I'm really pleased about that. I think it's a good example of some of the change that the organization has gone through: recognizing broader constituencies, but not only in the project area, but also recognizing responsibilities to the federal taxpayer, recognizing that shrinking resources has significant implications for our program, and yet trying to use those constructively, not just saying, "Well, we can't afford to do the fish and wildlife mitigation," but really working at it to find a way to do that, to bring it about, to make it happen, without just simply throwing money at the problem. That, I think, is a real positive step, and Carol's really to be commended for putting it together.

Storey: So this was one of the issues that came out of the consideration of the '96 budget?

Osann: The '96 budget, yeah, the general policy growing out of CPORT and the *Blueprint* for the future. Dan's direction was, "We're no longer going to be a civil works construction agency. We're not going to undertake major new civil works activity, and we need to conclude what we're doing as promptly as we can." Those were part of the sort of the general admonition we took in to the preparation of the '96 budget, which, as I said, started in about February of '94.

Thinking of a few of the things I've worked on in the last couple of years, I definitely spent a lot of time working on Platte River issues. I spent quite a bit of time working on contract renewals for the Central Valley Project under the terms of C-V-P-I-A [Central Valley Project Improvement Act]. I also spent some time on dam safety and trying to heighten the degree of preparedness that we would have and also particularly the downstream communities would have for unusual events, or even failures, of our structures upstream.

Twin Butte Dam and Dam Safety

Let me just mention that for a minute. One of the sort of site-specific problems that kind of bubbled up to the commissioner's office that we had to deal with during late '93 and early '94 had to do with Twin Buttes Dam in Texas, part of the San Angelo Project. In fact,

it's immediately upstream from the town or the city of San Angelo. It's a combination municipal water supply and irrigation project.

But the dam has leaked. It's leaked for at least fifteen years significant amounts of seepage, and we hadn't had closure on what to do about it. We tried a few things in the past, hadn't solved the problem, weren't sure what to do now. We had a contractor who had a recommendation for a series of wells, relief wells. Local interests had their contractor. They wanted a slurry wall, some kind of positive cutoff for seepage. We had sort of this ongoing dispute about what to do about the problem. Lingered beyond that was an ongoing dispute on the unresolved issue as to who was going pay for it.

I really felt—and Dan agreed—that we needed to act fairly decisively on dam safety issues. We couldn't allow the kind of bureaucratic processes and procedures and disputes and dispute resolution techniques that typically go on within an agency to drag out decisions relating to dam safety that really need to be made, need to have attention, and here is one where this thing had been leaking for fifteen years and we hadn't come to closure on it.

My advice to him was that he needed to be decisive and he needed to convey that he was being decisive in getting to the bottom of these issues. So he went there. He went to San Angelo and he told them, "We'll get an answer to this problem."

As it turned out, our contractor decided that the relief well scheme that they had developed was not going to be sufficient to solve the problem. They would need like 50 percent more wells, or something like that.

END SIDE 2, TAPE 1. AUGUST 31, 1995.
BEGIN SIDE 1, TAPE 2. AUGUST 31, 1995.

Storey: This is tape two of an interview by Brit Storey with Edward Osann on August 31, 1995.

The contractor had told us that we needed 50 percent more wells.

Osann: This was our contractor, our engineering contractor. I'm not sure of the number, but it was substantially more relief wells, bearing in mind that relief wells don't stop the seepage. They just control the disposition of leaked water in a way that it was intended to preserve the integrity of the structure. They still have a leaky dam. We agreed to go with the slurry wall, or the positive cutoff wall. Slurry trench, I think, maybe it was.

But that's really not what I'm getting at here. What I'm getting at is, the people of San Angelo, the municipality, came in and talked to us, and as we were working through some of these issues about moving into a construction phase and having to draw down the reservoir for some period of time while we were working on it as a preventive measure and so on, we had operating restrictions that were developed for this facility because of concerns about it.

We asked about the status of their downstream evacuation plan. Of the city of 80,000, about 40,000 people are within the potentially affected area if there were a failure at the site. This was, I think, in maybe February or March of '94, and they said they expected to have their plan approved in June.

Dam Safety Preparedness

It just struck me. Here's a dam that's thirty years old. It's been leaking for at least fifteen years. It's been an active issue of dispute with the Bureau. It's been reviewed by our Dam Safety Program for years. And a city with half of its population, they suppose, that's immediately downstream from the structure hasn't gotten around to even preparing an evacuation plan as of that time. I just wondered how widespread that lack of attention to these structures and the potential problems that they could pose, how widespread that was in downstream communities. So I asked our staff to do a survey and to, in effect, poll the communities, poll the state dam safety officials, and find out to what extent communities did have plans or didn't.

When the responses came back in three or four months later, I think, in the summer of '94, I thought that they were pretty alarming and showed that fully 45 percent of the downstream communities either didn't have an evacuation plan, or if they did have one, we didn't know about it, which is almost as bad,

because if you don't know that it exists, then you don't have anybody to communicate with and so on.

I wanted to find a way to kind of flag this so it's an issue and not only encourage our own people to do more in the way of outreach, but also to encourage these communities to get on the stick and prepare functional emergency plans. Dan was going to give a talk to a group of dam safety officials in October or November. It was in October. We put one or two lines in his speech about it, but we didn't make a big press event out of it.

But he had something going in November where I wanted to do a press event, and we communicated with both our dam safety people in Denver and our regional public affairs people, because we wanted them to be able to respond to questions about specific facilities, thinking that the story would play sort of like a community right-to-know or a superfund type thing. You have these general statistics, and then people want to say, "Okay, well, what about Glendo? What about the dams just upstream from our town?" So you get kind of local inquiries from local press, and we wanted our people to be able to handle those inquiries and share the information that we had.

Well, the closer we got to this, the more apprehensive some of our people became that the survey really wasn't all the reliable and that we were likely to be embarrassing some

communities. Our people just weren't sure enough about the data. They said it was really kind of a quick-and-dirty survey. I found this to be a little bit frustrating, but if our dam safety staff did not think that the survey was accurate, then I didn't want to go out with it. So we agreed to re-survey, with some fairly tight time frames, and we also agreed to get clearer on what the standard questions were going to be, that there'd been too much sort of free-lancing about what is a plan and do you have one and what does it mean to have one and does the county have one, does that count for you? In getting this initial snapshot, we hadn't been very tight about really conducting a tight survey.

So we did this. We went out again, with a more methodic survey, and I think we had a six- or eight-week turnaround. Well, it turned out the results were even worse. Probably only 10 percent of the downstream communities actually had dam-specific emergency plans. The majority of communities didn't have them or didn't have emergency plans, and only about 10 percent of them actually had. Of those that did, the 50 percent that did, maybe 10 percent had dam-specific plans.

Assisting Communities with Dam Safety Issues

So it was a more serious problem, in my view, and we kind of pulled some funds together where we could provide technical assistance to communities to prepare plans. We didn't offer to prepare their plans.

Preparing the plan is their responsibility, not ours. But we wanted to make sure that we made it as easy as possible. We would provide them with flood inundation information and that sort of thing so that they could prepare a plan, and we would review it with them and we would do exercises with them, table talk exercises and so on to verify the work ability and the communication and stuff like that. We wanted to provide as smooth an interface with the Bureau as we could, and we identified about a million dollars in '95 money that we were going to free up and committed to a million dollars in the '96 budget to do this.

And then we put it out. We put it out sometime in—I can't remember the specific date that we did do the press event, but we did it. I think maybe it was in March of '95. I'm just kind of guessing. Sometime this year. There were quite a number of local press stories, and some of them in communities where, "Yeah, we are prepared." Some of them were in communities where, "Well, we don't have a plan, but we will have one next month." So to some extent, it had the desired effect, and we made an effort to get the results of the survey, as well as our statement with regard to the availability of funds, out to all the state dam safety officials ahead of the public release so that they knew what was going on, and if they wanted to provide some comment, they could.

It's the kind of thing that you can get lulled into complacency. This is kind of an out of sight, out of mind kind of thing. There are

lots of problems with dam safety, generally, in the country, mostly the non-federal portion of the inventory of dams. I think that since Teton, you know, Reclamation has paid a lot more attention to dam safety, and since Dan has been commissioner, I think we have moved with more dispatch to resolve dam safety disputes and we've made this special effort to reach out to downstream communities to get their ounce of prevention taken care of now, before they have a problem, rather than afterwards.

I felt kind of strongly about this, because as much exposure as I had to the Reclamation program in my former job, and as much exposure as Dan had in his former job, the one thing that was fundamentally different about the transition that he made and the transition that I made is that we were now taking on real-time operational responsibilities. When you're a committee in Congress, you have jurisdiction, but the operation responsibility is the Executive Branch. So this is fundamentally different, different role, different dimension to dealing with the Reclamation program than either I had as a non-governmental organization, certainly, or that Dan had in Congress, and I felt that it was important to impress upon him that where this operation responsibility is most acute is in the area of dam safety, so we've given that some special attention.

He's also done some good missionary work out and around within Interior, because the Commissioner of Reclamation is ex officio

the head of the departmental Dam Safety Committee, so he has used the chair of that committee and his position as the head of it to highlight the need for B-I-A [Bureau of Indian Affairs] and other agencies within the department to upgrade their dam safety efforts, and I think that B-I-A was a particular focus. They had a significant number of structures towards the top of the list of structures of concern and yet were curtailing dollar expenditures to deal with them, and I think in his role he was able to get the department to recognize the need to give some additional priority to the safety improvements of some of their structures, as well.

What else can I tell you about the last two years?

Storey: Well, I think title transfers is a significant issue that's come up. I think cost recoveries is a significant issue that's come up. I think we need to talk about the Platte River, and especially I think contract renewals in the C-V-P [Central Valley Project]. But for tonight, I think our time is up, also. It's quarter of nine. So I need to let you go, I think.

I'd like to ask you a two-part question about release of the information in this interview. The conditions that you have placed on the other two interviews are that they would be available three years after you leave the Department of Interior. Do you still want that condition to hold for this interview?

Osann: Yeah, I think that's fine. I'm leaving the Department of the Interior. I expect to leave the department sooner than I expected at the time of the original interview. But I think that—I don't see doing this one any different than the other two.

Storey: Okay.

Osann: Have we done two others?

Storey: Yeah, we've done two others. I have a specific question about the Desalinization Program, Titles I and II. I happen to know that there's a person doing a dissertation on that aspect of Reclamation's work, and I'm wondering if you might be willing to release that part of the interview for her use in writing her dissertation, or whether you would prefer to keep it closed for the three years.

Osann: Is this in a history program?

Storey: Yeah. She's in the history program, I believe, at the University of Colorado. Either way is fine with me. It doesn't matter.

Osann: I think what I'd prefer to do would be to handle this interview the same way that the other interviews are being handled.

Storey: Okay, fine.

Osann: But what I would suggest is, if this student wants to pursue it, you'd have some sense as to whether you think it would be worthwhile. If

this students thinks that I can be helpful, I'd be glad to talk to her directly.

Storey: Okay, good. Well, I appreciate it. Thank you for coming out tonight. Thanks.

END SIDE 1, TAPE 2. AUGUST 31, 1995.
END OF INTERVIEWS.