



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 15, 2015

The Honorable Hal Rogers
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On June 10, 2015, the Interior, Environment, and Related Agencies Subcommittee considered the fiscal year (FY) 2016 Department of the Interior, Environment, and Related Agencies Appropriations bill. The Administration supports investing in the responsible protection and management of our Nation's natural heritage and resources, as well as fully honoring our trust obligations and commitments to tribal nations. However, the Administration has a number of serious concerns about this legislation, which would underfund investments critical to environmentally-sound economic growth and includes unacceptable ideological riders. In advance of Full Committee consideration of the Subcommittee bill, I would like to take this opportunity to share some of these concerns with you.

The Department of the Interior, Environment, and Related Agencies Appropriations bill is the eighth appropriations bill being considered under the congressional Republicans' 2016 budget framework, which would lock in sequestration funding levels for FY 2016. Sequestration was never intended to take effect: rather, it was supposed to threaten such drastic cuts to both defense and non-defense funding that policymakers would be motivated to come to the table and reduce the deficit through smart, balanced reforms. The Republicans' 2016 budget framework would bring base discretionary funding for both non-defense and defense to the lowest levels in a decade, adjusted for inflation. Compared to the President's Budget, the cuts would result in tens of thousands of the Nation's most vulnerable children losing access to Head Start, more than two million fewer workers receiving job training and employment services, and thousands fewer scientific and medical research awards and grants, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class.

Sequestration funding levels would also put our national security at unnecessary risk, not only through pressures on defense spending, but also through pressures on State, USAID, Homeland Security, and other non-defense programs that help keep us safe. More broadly, the strength of our economy and the security of our Nation are linked. That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense. The President's Budget would reverse sequestration and replace the savings with commonsense spending and tax reforms. It brings middle-class economics into the 21st Century and makes the critical investments needed to support our national security and accelerate and sustain economic growth in the long run, including research, education, training, and infrastructure.

The inadequate overall funding levels in the Republicans' 2016 budget framework, along with misplaced priorities, lead to a number of problems with the Subcommittee bill specifically. Overall, according to the Subcommittee, the bill reduces funding by about \$3 billion, or about 9 percent, below the President's Budget, with far deeper cuts for a number of key programs. These shortsighted funding cuts would undermine fiscal responsibility, national conservation and environmental priorities, and economic competitiveness. They would prevent investments that reduce future costs to taxpayers by facilitating increased energy development and maintaining facilities and infrastructure in national parks, refuges, forests, public lands, and Indian Country. They would cut support for partnerships and effective collaboration with States, local governments, and private entities on efforts to restore and conserve natural resources. And they would make it harder for States and businesses to plan and execute changes that will decrease carbon pollution and address the challenges facing the Nation from climate change. Doing so would only make these challenges more difficult and more costly to address in the future, with negative consequences for the environment, the economy, and national security. For example:

- The bill reduces the Environmental Protection Agency's (EPA) overall budget by \$1.2 billion, or 14 percent, from the President's Budget, including reducing EPA's Operating Budget by \$474 million, or 13 percent, compared with the President's Budget. This reduced level of funding would significantly undermine implementation of the Clean Power Plan and the Clean Water Rule. The proposed Clean Power Plan is a flexible and practical approach to addressing the risks of climate change by reducing carbon pollution from the electric power sector, the largest source of carbon pollution in the United States. Climate change is not only an environmental challenge, it is also an economic, public health, and national security challenge. Unabated climate change is projected to hamper economic growth in the United States and put the health and well-being of Americans at risk from extreme weather events, wildland fire, poor air quality, and illnesses transmitted by food, water, and disease carriers such as mosquitos and ticks. Failing to address climate change will also exacerbate poverty and contribute to environmental degradation in developing countries, potentially resulting in resource shortages, political instability, and conflict. Meanwhile, the bill also reduces funding to implement the recently finalized Clean Water Rule that will ensure waters protected under the Clean Water Act are more precisely defined and predictably determined. By delaying implementation of this rule, the Subcommittee bill would result in a more costly, difficult, and slower permitting process for business and industry.

Moreover, EPA does not protect the environment or public health alone; often States and Tribes are the ones implementing environmental programs through delegated authorities. However, the bill would reduce grants to States and Tribes to carry out activities such as water quality permitting, air monitoring, and hazardous waste management programs by \$118 million, or 10 percent, below the President's Budget. In addition, grants to local communities to revitalize contaminated brownfields are reduced by \$35 million, or 32 percent.

- The bill cuts overall Department of the Interior (DOI) funding by approximately \$1.1 billion, or 9 percent, relative to the President's Budget, after accounting for the bill's failure to provide for a wildland firefighting cap adjustment and its set-aside for the

Payments in Lieu of Taxes program, which the Administration has proposed to fund through a separate mandatory appropriation. These funding levels undercut:

- Climate resilience. Resilience efforts that will save taxpayers money in the long run. The President's Budget includes proposals that would proactively reduce the risks facing communities and ecosystems from a changing climate, rather than waiting until after a disaster strikes, recognizing that failure to take action now results in greater costs to taxpayers, communities, and the environment in the future. Unfortunately, the bill fails to take actions that are necessary to bolster the Nation's preparedness for, and resilience to, the effects of a changing climate. For example, it fails to enact the President's proposals for a wildland firefighting cap adjustment proposal. This proposal enjoys bipartisan support in the Congress because it would decrease the likelihood of disruptive funding transfers from the restoration and fire risk reduction programs that are meant to restore landscapes and reduce suppression costs. In addition, the Subcommittee bill appears to reject important proposals that would enable DOI to work with partners to leverage the ability of natural systems to reduce community risks. These proposals would build on the success of DOI's Hurricane Sandy Competitive Grant Program, which focused on expanding the footprint of healthy ecosystems to deliver valuable ecosystem services, including coastal erosion reduction, flood attenuation, and storm surge risk reduction to nearby communities.
- Land and water conservation efforts. In addition to failing to act on the President's request to provide mandatory appropriations for the Land and Water Conservation Fund (LWCF), the bill drastically cuts discretionary funding for LWCF programs by \$152 million, or 38 percent, below the President's Budget. The LWCF is a cornerstone of Federal and State conservation and recreation preservation efforts, and the Subcommittee bill funding level would severely impede the Nation's capacity to protect its natural heritage and connect a new generation to the outdoors. From Acadia National Park to the Appalachian Trail, from the Everglades Headwaters in Florida to the Prairie Potholes region in the Midwest, from city parks to Civil War battlefields, LWCF supports recreation and sportsmen's access and conserves important ecosystems and cultural heritage sites.
- Basic land management operations. The bill cuts requested funding for these efforts by 7 percent, which would undermine support for the provision of basic public and business services. The bill also fails to provide adequate funding to prepare for the National Parks Centennial in 2016—resulting in the delay of roughly 70 percent of line-item park construction projects and 36 percent of repair and rehabilitation projects—or to support the long-term health and resilience of national parks, forests, refuges, and other public lands. In addition, the bill includes a 15 percent cut to State and Tribal Wildlife Grants, an important program that helps key partners in conservation—States and Tribes—strategically protect wildlife and conserve habitat in a way that complements Federal investments and yields better results for the public.

- The bill cuts funding for Native American health care programs and facilities of the Indian Health Service (IHS) by more than \$300 million, or 6 percent, below the President's Budget. This would result in inadequate funding for the provision of health care to a population that faces greater sickness and poverty, on average, than the national population. For example, compared to the President's Budget, the bill reduces funding by nearly \$50 million for Purchased and Referred Care, a program that supports health care not available in IHS and tribal facilities, which would exacerbate existing levels of denied care and waiting lists for services. In addition, the bill cuts funding for the Bureau of Indian Affairs (BIA) funding by 5 percent compared to the President's Budget, which would limit DOI's ability to support priorities in Indian Country, such as programs for Native youth.

The Subcommittee bill also contains problematic language related to tribal Contract Support Costs (CSC) for BIA and IHS. Specifically, the bill contains a limitation on funding for CSC that could perpetuate the funding issues described in the Supreme Court's *Salazar v. Ramah Navajo Chapter* decision. The Congress should pursue a long-term solution for CSC appropriations, providing an increase in funding in FY 2016 as part of a transition to a new three-year mandatory funding stream in FY 2017, as proposed in the President's Budget.

- The bill cuts funding for the Smithsonian Institution by \$116 million, or 12 percent, below the President's Budget—a reduction that can be expected to reduce public access to the Smithsonian as well as increase safety concerns through delays in planned renovations. With over 30 million visits to Smithsonian facilities recorded in 2014, it is important to ensure the museums, galleries, National Zoological Park, and nine research facilities that make up the world's largest museum and research complex remain open, maintained, and available to the generations of Americans who make use of this unique institution each year. Specifically, the Subcommittee bill cuts would delay renovation for the National Air and Space Museum, where the museum has had to establish temporary covered walkways to protect the public from potential falling debris from its facade, and would reduce operating hours for the museums, including the new National Museum of African American History and Culture.

The bill also includes numerous highly problematic ideological riders. These riders threaten to undermine the most basic protections for America's special places and the people and wildlife that rely on them, as well as the ability of States and communities to address climate change and protect a resource that is essential to America's health—clean water. American families are counting on us to take steps to protect the environment and public health, including children's health. American businesses—from manufacturing and brewing to farming and ranching—cannot function without clean water. The Government also has a responsibility to its citizens to take action to address climate change, one of the defining challenges of our time. These riders stand in the way of meeting these responsibilities—hamstringing permitting and future regulatory work, and creating significant ambiguity regarding existing regulations and guidance.

For example, the bill would prevent the Administration from working with States to take reasonable and responsible steps to reduce the electric power sector's carbon footprint and properly assess the impacts of climate change. Notwithstanding the fact that power plants are the largest source of carbon pollution in the Nation, the bill would prevent EPA from working with States to implement carbon pollution standards for existing power plants and impede or prevent such standards for related sources. As discussed above, failure to successfully implement the Clean Power Plan would have negative consequences for the environment, the economy, public health, and national security. Furthermore, the bill would block the finalization, implementation, and enforcement of an EPA rule to prohibit certain uses of climate super-pollutants, such as hydrofluorocarbons (HFCs). Domestic action to reduce use of HFCs is consistent with U.S. advocacy for addressing HFCs on a global basis, such as through an amendment to the Montreal Protocol. The bill would also prevent the Administration from clarifying the jurisdiction of the Clean Water Act, causing uncertainty about waters covered by the Clean Water Act to continue to prevail. Other ideological riders in this Subcommittee bill would undermine critical efforts to find substitutes to ozone-depleting substances, and interfere with dozens of upcoming rules that take into account the true costs of carbon pollution. The bill would undercut the Endangered Species Act by limiting the ability of the Fish and Wildlife Service to properly protect a number of species, including sage grouse, based on the best available science and would impair U.S. leadership in the global fight against ivory poaching. It would also prohibit DOI's Office of Surface Mining, Reclamation, and Enforcement from updating 30-year-old stream protection regulations to reflect modern science and technology and better protect people and the environment, provide industry more certainty, and address recent court decisions.

The Administration believes that the Congress should consider appropriations bills free of unrelated ideological provisions. The inclusion of these provisions threatens to undermine an orderly appropriations process.

As your Committee takes up the Department of the Interior, Environment, and Related Agencies Subcommittee bill, we look forward to working with you to address these concerns. More broadly, we look forward to working with the Congress to reverse sequestration for defense and non-defense priorities, and offset the cost with commonsense spending and tax expenditure cuts, as Members of Congress from both parties have urged.

Sincerely,



Shaun Donovan
Director

Identical Letter Sent to The Honorable Nita Lowey