



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

July 9, 2015

THE DIRECTOR

The Honorable Thad Cochran
Chairman
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On June 18, 2015, the Appropriations Committee 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. 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 sixth appropriations bill being considered in the Senate 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, millions fewer workers receiving job training and employment services, and drastic cuts to scientific 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. As the Administration has repeatedly made clear, the President's senior advisors would recommend that he veto any legislation that implements the current Republican budget framework, which blocks the investments we need for our economy to compete in the future.

The inadequate overall funding levels in the Republicans' 2016 budget framework, along with misplaced priorities, lead to a number of problems with the Committee bill specifically. Overall, according to the Committee level, the bill reduces funding by about \$2.2 billion, or about 7 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. They would also make it harder for States and businesses to plan and execute changes that would 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 \$994 million, or 12 percent, from the President's Budget, including reducing EPA's Operating Budget by \$372 million, or 10 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 would also exacerbate poverty and contribute to environmental degradation in developing countries, potentially resulting in resource shortages, political instability, and conflict. Meanwhile, the bill also prevents EPA from implementing the recently finalized Clean Water Rule, which is necessary to ensure waters protected under the Clean Water Act are more clearly defined and predictably determined. By delaying implementation of this rule, the Committee 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; States and Tribes implement 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 \$102 million, or 9 percent, below the President's Budget. In addition, grants to local communities to

revitalize contaminated brownfields are reduced by \$30 million, or 27 percent, below the President's Budget.

Science provides a vital role in EPA's mission. However, the bill would reduce funds for EPA's Science and Technology account by 8 percent below the President's Budget, undermining the agency's ability to base environmental regulation on a foundation of the best available science.

- The bill cuts overall Department of the Interior (DOI) funding by approximately \$860 million, or 7 percent, relative to the President's Budget. These funding levels undercut:
 - Climate resilience. Resilience efforts 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 rejects important proposals—including the newly-proposed Coastal Resilience Fund—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. Investing in green infrastructure—not just grey infrastructure—is as critical to the resilience of our Nation.
 - Land and water conservation efforts. The bill drastically cuts discretionary funding for Land and Water Conservation Fund (LWCF) programs by \$73 million, or 18 percent, below the President's Budget. The LWCF is a cornerstone of Federal and State conservation and recreation preservation efforts, and the Committee 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 funding for these efforts by 7 percent below the President's Budget, 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 37 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 Administration appreciates the bill's funding of the request for the Bureau of Land Management's (BLM) onshore oil and gas inspection and oversight program, but is disappointed that the Committee did not accept the Administration's proposed inspection user fees, which would allow this work to be accomplished at no net cost to taxpayers. Also, we appreciate the Committee's commitment to reforming the wildland fire suppression budget by including a version of the President's proposal to create a discretionary cap adjustment that would limit future disruptive fire transfers. However, requiring DOI and the U.S. Forest Service to fund the full 10-year average—which continues to increase each year—from their constrained budgets would diminish their ability to restore landscapes and reduce fire risk. The Administration's proposal would fund 70 percent of the 10-year average so that base funding for suppression does not come at the expense of hazardous fuel reduction and reduced landscape restoration.
- The Administration opposes the \$136 million, or 11 percent, reduction to the U.S. Geological Survey (USGS) compared to the President's Budget. Unfortunately, the bill fails to support the USGS science that is necessary to bolster the Nation's preparedness for, and resilience to, the effects of a changing climate and to meet DOI's resource and land management needs.
- The bill cuts funding for American Indian and Alaska Native health care programs and facilities of the Indian Health Service (IHS) by more than \$320 million, or nearly 7 percent, below the President's Budget. This would result in inadequate funding for the provision of health care to a population that faces much greater health needs, on average, than the general population. For example, compared to the President's Budget, the bill reduces funding by nearly \$70 million for Purchased/Referred Care, jeopardizing progress made in recent years to fund health care beyond the highest priority needs. In addition, the bill reduces funding by nearly \$120 million for facilities throughout the IHS system, failing to fund key facilities projects that help IHS fulfill its mission to provide health care services to 2.2 million American Indians and Alaska Natives. In addition, the bill cuts funding for the Bureau of Indian Affairs by 8 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. This includes a 40 percent cut to education construction and a 9 percent cut to education programs as compared to the President's Budget, severely inhibiting reforms to the Bureau of Indian Education and preventing critical updates to school infrastructure.
- The bill cuts funding for the Smithsonian Institution by \$116 million, or 12 percent, below the President's Budget—a reduction that may reduce public access to the Smithsonian, as well as increase costs and raise safety concerns through delays in planned renovations. With over 30 million visits to Smithsonian facilities 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 Committee bill cuts would likely 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 may reduce operating hours for the museums, including the new National Museum of African American History and Culture.

The bill also cuts funding for other cultural agencies below the requested level. Notably, the Kennedy Center for the Performing Arts and the National Gallery of Art are each cut nearly 10 percent below the requested level, which would cause significant delays to ongoing scheduled renovation projects. These delays would force postponements in the reopening of currently closed exhibition and theater spaces, while also increasing costs.

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 prevent EPA from updating one of our most important air quality standards—the National Ambient Air Quality Standards for ozone. Ozone pollution is particularly harmful for children and adults with asthma. If finalized as proposed, the updated national standards for ozone would prevent thousands of premature deaths and hospital admissions and prevent up to a million lost school days each year.

The bill would also prevent the Administration from clarifying the jurisdiction of the Clean Water Act, causing uncertainty to prevail about waters covered by the Clean Water Act. Other ideological riders in this bill would diminish the effectiveness of National Environmental Policy Act reviews and impede use of the social cost of carbon to value carbon emissions reductions, undermining sound cost-benefit analysis for dozens of upcoming rules. 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 undermine unprecedented partnerships that have been forged to tackle species conservation challenges in the West. In addition, it would force a land exchange and lead to construction of a road through Alaska's Izembek National Wildlife Refuge, fragmenting and harming a congressionally-designated wilderness and internationally-renowned wildlife habitat that is a vital stopover for migratory birds. It would also undercut and significantly complicate BLM's enforcement of standards for oil and gas drilling activities occurring on Federal and Indian mineral estate.

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

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,

A handwritten signature in blue ink, appearing to read 'Shaun Donovan', with a long horizontal flourish extending to the right.

Shaun Donovan
Director

Identical Letter Sent to The Honorable Barbara Mikulski