



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

June 26, 2018

THE DIRECTOR

The Honorable Richard Shelby
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Shelby:

On June 14, 2018, the Appropriations Committee considered the fiscal year (FY) 2019 Department of the Interior, Environment, and Related Agencies Appropriations bill. Overall, according to information provided in the Committee press release, the bill appears to increase funding by over \$7 billion, or nearly 27 percent above the FY 2019 Budget request. The Administration appreciates the opportunity to weigh in on this bill.

The President's FY 2019 Budget request, as amended, accounts for the Bipartisan Budget Act of 2018 (BBA's) new Defense and non-Defense discretionary spending caps for FY 2019. As we have noted in previous letters as well as the FY 2019 Budget, the Administration strongly supports the overall defense levels included in the BBA. However, given the Nation's long-term fiscal constraints and the need to right-size the Federal Government, the Administration does not support spending at the BBA's non-Defense caps.

The Administration appreciates that the Committee bill includes funding for critical priorities, including:

- **Wildland Firefighting.** The bill funds Federal wildland firefighting programs at \$4.3 billion, fully funding the 10-year average for wildland fire suppression costs for both the Forest Service within the U.S. Department of Agriculture (USDA) and the Department of the Interior (DOI). In addition, in the year before the wildfire cap adjustment is available, the bill provides an additional \$900 million for suppression operations, \$724 million for the Forest Service and \$176 million for DOI.
- **Energy Development.** The bill provides additional resources to support expanded energy development on public lands and offshore waters within DOI. This includes a combined \$379 million for the Bureau of Ocean Energy Management and Bureau of Safety and Environmental Enforcement to conduct planning, leasing, permitting, and inspection and safety oversight of energy development on the Federal Outer Continental Shelf.
- **National Park Service (NPS) Construction.** The bill provides \$365 million for NPS construction within DOI. The Administration appreciates the Committee's prioritization of construction funding to help address deferred maintenance.

- State Revolving Funds for Water Infrastructure. The bill provides a total of \$2.9 billion for the Clean Water and Drinking Water State Revolving Funds within the Environmental Protection Agency (EPA). This funding would capitalize State-run revolving funds and allow for significant investment in drinking water and wastewater infrastructure.
- Water Infrastructure Finance and Innovation Act (WIFIA) Credit Program for Water Infrastructure. The bill provides \$63 million for EPA's WIFIA credit program. This funding, which supports the priorities expressed in the Administration's Infrastructure Initiative, could support billions of dollars in total water infrastructure investment for a wide variety of eligible projects, including addressing lead service lines.
- Superfund. The bill provides \$1.1 billion for the Hazardous Substance Superfund account within EPA, which would support ongoing cleanups impacting the health and economic well-being of communities as well as infrastructure projects.

However, the bill underfunds key investments in critical areas supported in the FY 2019 Budget request and/or includes funding that the Administration believes is not in line with the overall restraint in non-Defense spending reflected in the FY 2019 Budget request, including:

- DOI Topline. While the Administration appreciates the bill's support for priority DOI programs, it also provides increased funding in excess of the FY 2019 Budget request across a number of DOI program areas. These include land management operations, tribal programs, and U.S. Geological Survey research. In total, it appears that the bill provides approximately \$13.1 billion for DOI, \$2.4 billion more than the FY 2019 Budget request.
- EPA Topline. The bill funds EPA at \$8.8 billion. This funding is \$2.7 billion above the FY 2019 Budget request and includes funding for programs that are outside of the Agency's core mission.
- USDA, Forest Service Topline. The bill provides \$6.3 billion for the Forest Service. After subtracting the additional \$724 million for wildfire suppression, this topline is nearly \$900 million above the FY 2019 Budget request. Programs with the largest increases include Capital Improvement and Maintenance for facilities and roads, and State and Private Forestry grants.
- Coal Abandoned Mine Lands (AML) Economic Development Grants. The bill provides \$115 million for grants to States for economic development in conjunction with coal AML reclamation within DOI. These grants exceed the mission of the Office of Surface Mining Reclamation and Enforcement, overlap with existing mandatory funds to reclaim abandoned coal mines, and were proposed for elimination in both the FY 2018 and FY 2019 Budget requests.
- Federal Land Acquisition. The bill provides \$190 million for land acquisition at DOI and USDA, an increase of \$157 million above the FY 2019 Budget request, excluding

rescissions. Acquiring new lands is a lower priority because DOI and USDA have a maintenance backlog that exceeds \$12 billion.

- EPA Geographic Programs. The bill provides a total of \$455 million, which is \$418 million above the FY 2019 Budget request. These programs perform local activities that are more appropriately funded by State and local entities.
- Categorical Grants. The bill provides a total of \$1.1 billion, \$496 million above the FY 2019 Budget request for EPA Categorical Grants. These grants fund State environmental program implementation; however, this includes support for activities that may go beyond statutory mandates.
- EPA's Science and Technology Account. The bill provides \$706 million, which is \$283 million above the FY 2019 Budget request. Science continues to be an important foundation of EPA's regulatory responsibilities; however, this account includes programs in research and development that are not necessary to implement core EPA responsibilities.
- Diesel Emissions Reduction Act (DERA) Grant Program. The bill provides \$50 million for EPA's DERA grant program, which is \$40 million above the FY 2019 Budget request. DERA funds overlap with other Federal and State programs, and have diminishing returns for old vehicles that would eventually be replaced regardless of DERA grant funding levels. States may also use some of the \$2.7 billion fund established through a settlement with Volkswagen to support similar projects to those normally funded by the DERA program.
- National Endowment for the Arts (NEA), National Endowment for the Humanities (NEH), and the Woodrow Wilson International Center for Scholars (Wilson Center). The bill does not eliminate Federal funding for NEA, NEH, and the Wilson Center. The FY 2019 Budget request proposed an orderly phase-out of Federal funding for these agencies as their activities fall outside core Federal responsibilities.

As the Senate takes up the Department of the Interior, Environment, and Related Agencies Appropriations bill, the Administration looks forward to working with you to address these concerns.

Sincerely,



Mick Mulvaney
Director

cc: The Honorable Lisa Murkowski
The Honorable Tom Udall

Identical Letter Sent to the Honorable Patrick Leahy