



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

June 3, 2019

The Honorable Nita Lowey
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Lowey:

On May 23, 2019, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee considered the fiscal year (FY) 2020 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill. We are strongly opposed to the budgetary framework that underlies this and other appropriations bills being considered by the Appropriations Committee. In advance of Full Committee consideration of this bill, I would like to take this opportunity to share both these overall concerns as well as specific concerns related to this bill.

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill is being considered under House Democrats' budget framework, which would raise the discretionary spending caps by more than \$350 billion in FYs 2020 and 2021 and does not reflect a House-passed budget resolution or a bipartisan, bicameral agreement. This would put the Federal Government on track to add nearly \$2 trillion to deficits over 10 years, while the national debt is already above \$22 trillion and rising.

In addition, the House Democrats' framework continues the misguided notion that increases to defense spending must be matched or exceeded by increases to non-defense spending. The bills under consideration actually provide more than twice as much additional funding in FY 2020 for non-defense than for defense programs, relative to FY 2019 levels. Investing in our national security remains a key Administration priority, but ensuring our defense does not require additional non-defense discretionary funding.

Excessive deficits continue to threaten the Nation's progress, and without action to restore the proper size and role of Government, deficits will remain over a trillion dollars per year for the foreseeable future. The President's FY 2020 Budget provides the Congress with a clear roadmap for bringing Federal spending under control. It proposes more spending reductions than any other administration has proposed in history, while providing necessary funding for defense, national security, and other critical needs. Importantly, the Budget protects these key priorities while adhering to the discretionary spending caps in current law. The Congress must do the same.

Overall, according to information provided in the Subcommittee press release, the bill provides \$24.3 billion, about \$5.1 billion or nearly 27 percent above the FY 2020 Budget request and \$1 billion above the FY 2019 enacted level.

The Administration appreciates that the Subcommittee bill includes funding for some critical priorities, including full funding for the Special Supplemental Nutrition Program for Women, Infants, and Children, \$331 million for United States Department of Agriculture (USDA) facilities including modernization and implementation of USDA's OneNeighborhood Initiative in the National Capital Region, and targeted increases for the Food and Drug Administration's (FDA) major medical product and food safety initiatives, including increases to strengthen the safety of the Nation's blood supply, modernize generic drug reviews, increase medical product manufacturing in the United States, and to enable faster responses to foodborne illness outbreaks. The Administration also appreciates the bill's prioritization of the USDA Rural Broadband Pilot Program, which would provide vital broadband infrastructure for rural America. However, the Administration notes that although USDA is working expeditiously to implement the initial \$1.2 billion the Congress provided, most of that money remains unobligated, so the Administration believes its FY 2020 Budget request of \$200 million for the program is sufficient at this time.

Unfortunately, the bill includes funding that the Administration believes is not in line with the overall effort to control non-defense spending reflected in the FY 2020 Budget request or underfunds key investments in critical areas supported in the FY 2020 Budget request, including:

- Rural Development (RD) Topline. While the Administration appreciates the bill's support for priority USDA RD programs, it also provides funding in excess of the FY 2020 Budget request across a number of programs. The bill provides \$1.7 billion for the Rural Housing Service, \$327 million above the FY 2020 Budget request, which included proposed rescissions of \$44 million. The Administration believes a more efficient way to deliver home loans is by better utilizing the private banking industry, with a guarantee from the Federal Government. The bill provides \$119 million for the Rural Business Service, \$98 million above the FY 2020 Budget request for programs which have failed to meet goals and are duplicative of private sector assistance.
- Public Law 480, Title II Food Aid (Title II). The bill provides \$1.9 billion for Title II international food aid. The Administration believes that all food aid should instead be provided through the International Humanitarian Assistance account proposed in the FY 2020 Budget that consolidates overseas humanitarian assistance programs and funding of the Department of State and U.S. Agency for International Development (USAID). While the United States is the world's largest donor of food aid, taxpayers expect such aid to be provided in the most cost-effective manner possible. Unfortunately, Title II is cost-inefficient, slow, and limits the ability of USAID to use the most appropriate food aid intervention for a particular crisis.

- McGovern Dole International Food for Education. The bill provides \$235 million, \$235 million above the FY 2020 Budget request. As described above, the Administration is prioritizing development assistance through USAID.
- USDA Research Programs. The bill provides \$3.3 billion for research programs, \$388 million above the FY 2020 Budget request. The Administration's proposal targeted research to competitive grant programs while supporting primary research and reducing lower priority duplicative research areas.
- Natural Resources Conservation Service (NRCS). The bill provides \$997 million for NRCS conservation programs, \$242 million above the FY 2020 Budget request, including \$167 million in unrequested funding for small, private watershed and rehabilitation efforts.
- Agricultural Marketing Service (AMS). The bill provides \$183 million for AMS, \$68 million above the FY 2020 Budget request. This total includes excessive, unnecessary, and unrequested funding for the Local Agriculture Market Program, a program that receives funding through the Farm Bill.

The bill also includes a number of objectionable language provisions including highly restrictive language that prohibits fund transfers and the use of Economy Act agreements for certain purposes, realignments or reorganizations that affect five or more personnel, or funding activities or functions not carried out in the prior fiscal year. In addition, the bill includes language that would not allow funding that is appropriated to the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA) to be used to relocate ERS or NIFA outside the National Capital Region. The Administration proposed to bring these Federal resources closer to the stakeholders which USDA serves. The relocation would improve USDA's ability to attract and retain highly qualified staff with training and interests in agriculture, many of whom come from the land-grant universities dispersed across rural America.

In addition, the bill does not include language requested in the FY 2020 Budget request that would allow USDA to use the Commodity Credit Corporation's third quarter financial statement to provide an interim reimbursement of net realized losses prior to the completion of the FY 2019 financial statement.

The Administration strongly supports and urges the Committee to include a provision that has been enacted since FY 2016 and included in the President's Budget since FY 2018 that would protect embryos by prohibiting FDA from accepting and reviewing an investigational drug or biological application involving human embryos that are intentionally created or modified to include a heritable genetic modification.

As the Committee takes up the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill, the Administration looks forward to working with you to address these concerns.

Sincerely,



Russell T. Vought
Acting Director

cc: The Honorable Sanford Bishop
The Honorable Jeff Fortenberry

Identical Letter Sent to The Honorable Kay Granger