



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

THE DIRECTOR

May 21, 2018

The Honorable Rodney Frelinghuysen  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Frelinghuysen:

On May 15, 2018, the Interior, Environment, and Related Agencies Subcommittee considered the fiscal year (FY) 2019 Interior, Environment, and Related Agencies Appropriations bill. Overall, according to information provided in the Subcommittee press release, the bill appears to increase base funding by about \$7 billion, or almost 25 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 Subcommittee bill includes funding for critical priorities, including:

- **Wildland Fire.** The bill provides \$3.9 billion for Federal wildland firefighting programs, and fully funds the 10-year average for wildland fire suppression costs for both the Department of the Interior (DOI) and the Forest Service within the U.S. Department of Agriculture (USDA). In addition, in the year before the wildfire cap adjustment is available, the bill provides an additional \$500 million for Forest Service suppression operations.
- **Energy Development.** The bill provides additional resources to support expanded energy development on public lands and offshore waters within DOI. This includes a combined \$382 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 \$369 million for NPS construction within DOI. The Administration appreciates the Subcommittee's prioritization of construction funding to help address deferred maintenance.
- State Revolving Funds for Water Infrastructure. The bill provides a total of \$2.6 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 \$75 million for EPA's WIFIA credit program. This funding, which supports the priorities expressed in the Administration's Infrastructure Initiative, could support several billion dollars in total water infrastructure investment for a wide variety of eligible projects, including addressing remaining lead service lines.
- Superfund. The bill provides \$1.2 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 DOI program areas. These include land management operations, tribal programs, and U.S. Geological Survey research. In total, we estimate that the bill provides approximately \$13.1 billion for DOI, \$2.4 billion more than the FY 2019 Budget request.
- EPA Topline. The bill provides funding in excess of the FY 2019 Budget request for EPA's Operating Budget, including programs that are outside of the Agency's core mission.
- USDA, Forest Service Topline. The bill provides increased funding in excess of the FY 2019 Budget request in a number Forest Service program areas, including research, State and Private Forestry, National Forest System operations, and capital improvement and maintenance.
- Coal Abandoned Mine Lands (AML) Economic Development Grants. The bill provides \$90 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 \$157 million for land acquisition at DOI and USDA, an increase of \$124 million above the FY 2019 Budget request, excluding rescissions. DOI and USDA have a maintenance backlog exceeding \$12 billion, so acquiring new lands is a low priority.
- EPA Geographic Programs. The bill provides a total of \$435 million, which is \$398 million above the FY 2019 Budget request. These programs perform local ecosystem restoration, monitoring, and other activities in particular watersheds, including the Great Lakes Restoration Initiative, Chesapeake Bay Program, and others, much of which is more appropriately funded by State and local entities.
- Categorical Grants. The bill provides a total of \$1 billion, \$469 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 \$651 million, which is \$202 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 \$100 million, or \$90 million above the FY 2019 Budget request within EPA for the DERA grant program. 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 very 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 Administration is disappointed that the bill does not eliminate Federal funding for NEA, NEH, and Wilson Center. The FY 2019 Budget request proposed an orderly phase-out of Federal funding for these agencies as the Administration does not consider their activities to be core Federal responsibilities.

In addition, the FY 2019 Budget request reflects the Administration's desire to bring more Federal spending under the caps reached in the 2018 BBA by limiting the use of changes in mandatory programs, or CHIMPs, that generate no net outlay savings to offset real increases in discretionary spending. While there are programmatic reasons for some CHIMPs, most of them simply push the availability of funding from one year to the next, or rescind money from a program that no one actually expected would be spent. The Administration encourages the Committee to achieve its discretionary topline while minimizing the use of CHIMPs.

As the Committee takes up the Interior, Environment, and Related Agencies Appropriations Subcommittee's bill, the Administration looks forward to working with you to address these concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mick Mulvaney" with a date "2/10/10" written below it.

Mick Mulvaney  
Director

cc: The Honorable Ken Calvert  
The Honorable Betty McCollum

Identical Letter Sent to the Honorable Nita Lowey