



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

THE DIRECTOR

April 21, 2015

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

Dear Chairman Rogers:

On April 15, 2015, the Energy and Water Development, and Related Agencies Subcommittee considered the fiscal year (FY) 2016 Energy and Water Development, and Related Agencies Appropriations bill. The Administration supports investments in scientific research and our water and energy resources that will create high-quality jobs, enhance the Nation's economic competitiveness, improve resilience against climate impacts, and help build a clean and secure energy future. However, we have a number of serious concerns about this legislation. 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 Energy and Water Development, and Related Agencies Appropriations bill is among the first appropriations bills being considered under the 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 defense and non-defense to the lowest levels in a decade. 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, cause a number of problems with the Subcommittee bill specifically. Overall, according to the Subcommittee, this bill reduces funding by about \$600 million, or about two percent, below the President's Budget. The bill slashes support for U.S. innovators—scientists, engineers, and entrepreneurs pioneering new clean energy technologies that will spur America's long-term economic competitiveness and strengthen America's leadership on energy innovation. In addition, developing these cost-effective technologies will help us tackle the threat of climate change, which is not just a moral but also a fiscal and economic imperative. Any strategy that dials down investment in climate solutions and climate preparedness simply dials up the likely future toll on our budget and economy from the impacts of climate change. Yet this bill adopts precisely that strategy; for example:

- The bill sharply reduces investment in the Department of Energy's Office of Energy Efficiency and Renewable Energy by over \$1 billion, or 40 percent, compared with the President's Budget. This significantly reduced level of funding would slash the number of research, development, and demonstration projects supported in cooperation with industry, universities, and the national labs—curtailing critical innovation and technological advancement in clean and renewable energy, as well as solutions to cut U.S. dependence on oil and reduce energy waste, all while also undermining the Nation's industrial competitiveness in the future global clean energy economy.
- The bill also cuts grid modernization and other investments in the resilience of our electricity and energy system by \$111 million, or 41 percent, compared with the President's Budget. At the bill level, important activities supporting a secure, reliable, and modernized electricity grid would go unfunded. As recently highlighted by the Quadrennial Energy Review, public and private investments in a strong and smart electricity and energy system are critical to moving our Nation toward a cleaner and more secure energy future. In the face of increasing threats—from extreme weather to cyberattack—the cuts in this bill run counter to efforts, such as State energy assurance planning and technology development, that will strengthen the U.S. economy, create jobs, and support the middle class.
- The bill fails to adequately fund the Advanced Research Projects Agency-Energy (ARPA-E), providing \$45 million, or 14 percent, less than the President's Budget for a research agency focused on game-changing technological breakthroughs. Our Nation—and our economy—has led the world through innovation, and the ARPA-E budget is an archetype of the sorts of investments we need to sustain that leadership.

Unfortunately, under sequestration levels, even the inadequate funding levels provided by the Subcommittee bill would require larger cuts in other appropriations bills. Taking into account this Subcommittee bill and the Military Construction and Veterans Affairs bill, the two bills that have been marked up so far, the Republican budget framework would require cuts of roughly eight percent compared to the President's Budget for the rest of the non-defense discretionary accounts.

The Subcommittee bill also includes highly problematic ideological riders. These riders include efforts that threaten to undermine our ability to protect a resource that is essential to

America's health—clean water. This is irresponsible. American families are counting on us to take responsible steps to protect our children's health. American businesses—from manufacturing and brewing to farming and ranching—cannot function without clean water. The species we depend on and the places we love for recreation cannot survive without it. These riders stand in the way of meeting our responsibilities—hamstringing permitting and future regulatory work, and creating significant ambiguity regarding existing regulations and guidance. Other ideological riders in this Subcommittee bill would undercut efforts to maintain public and employee safety at Army Corps facilities; endanger the security of that critical infrastructure; and frustrate the marine planning components of the National Ocean Policy, a science-based tool that regions can use to address specific ocean management challenges and advance their economic development and conservation objectives.

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 Energy and Water Development 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