



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

April 28, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2028 — Energy and Water Development and Related Agencies
Appropriations Act, 2016
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 2028, making appropriations for energy and water development, and related agencies for the fiscal year ending September 30, 2016, and for other purposes. The bill drastically underfunds critical investments that develop American energy sources to build a clean and secure energy future; develop and commercialize the emerging technologies that create high-quality jobs and enhance the Nation's economic competitiveness; and improve resilience against current and ongoing climate impacts that threaten our economy, public health, and natural resources. As a result, it would put at risk U.S. competitiveness in new markets for clean energy industries such as advanced vehicles, advanced manufacturing, energy efficiency for homes and businesses, and domestic renewable energy such as wind, solar, and biomass. It would also harm efforts to implement the President's nuclear strategy and advance counter-proliferation objectives. Furthermore, the legislation includes highly problematic ideological riders, including provisions that threaten to undermine our ability to protect a resource that is essential to America's health: clean water. If the President were presented with H.R. 2028, his senior advisors would recommend that he veto the bill.

In addition, enacting H.R. 2028, while adhering to the congressional Republican budget's overall spending limits for fiscal year (FY) 2016 would hurt our economy and shortchange investments in middle-class priorities. 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 Republican framework would bring base discretionary funding for both defense and non-defense for FY 2016 to the lowest real 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, adversely impacting the pace of discovery and innovation, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class.

Sequestration 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 senior advisors would recommend that he veto H.R. 2028 and any other legislation that implements the current Republican budget framework, which blocks the investments needed for our economy to compete in the future. The Administration looks 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.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Department of Energy (DOE)

Office of Energy Efficiency and Renewable Energy. The Administration strongly objects to the \$1.6 billion provided in the bill for the Office of Energy Efficiency and Renewable Energy. Overall this level is \$1.1 billion below the FY 2016 Budget request. Relative to the FY 2016 Budget request, the bill reduces funding for renewable energy by 49 percent, sustainable transportation by 35 percent, and energy efficiency by 40 percent. The proposed reductions significantly underfund critical activities that support the development and commercialization of clean energy technologies. At this funding level, the number of research, development, and demonstration projects supported in cooperation with industry, universities, and the national labs would be reduced, limiting innovation and technological advancement, curtailing solutions to cut U.S. dependence on oil and reduce energy waste, and undermining the Nation's industrial competitiveness in the future global clean energy economy. The Congress is urged to fully fund the FY 2016 Budget request of \$2.7 billion. The Administration is also disappointed that the bill does not include transfer language necessary to support joint efforts with the Navy and the Department of Agriculture to develop advanced drop-in biofuels for military applications, a provision included in the FY 2015 enacted bill.

Advanced Research Projects Agency-Energy (ARPA-E). The Administration objects to the \$280 million provided in the bill for ARPA-E, which is \$45 million below the FY 2016 Budget request. This funding reduction would impact investments and delay improvements in technologies that reduce energy-related emissions, increase energy efficiency across multiple economic sectors, and reduce energy imports.

Fossil Energy and Nuclear Energy. The Administration notes that the bill includes funding above the FY 2016 Budget request in some areas that are already well established in the market, including for nuclear and fossil energy, and yet makes drastic reductions in those that are most crucial to the Nation's clean energy future and continued U.S. technology leadership. The Administration encourages the Congress to fund DOE's energy programs at the requested level, as this balances the portfolio among items of short, medium, and long-term progress and promotes U.S. leadership in these technology areas.

Office of Science. While the Administration appreciates the Committee's support for the Office of Science, the level of funding provided, which is \$240 million below the FY 2016 Budget request, is insufficient to maintain U.S. leadership in high performance computing as the United

States moves into capable exascale systems to support discovery science, national security, and economic competitiveness.

Disposition of Weapons-Usable Plutonium. The Administration objects to language in the bill that requires the Secretary of Energy to continue construction of the Mixed Oxide Fuel Fabrication Facility. This language is unnecessarily restrictive and would preclude alternative, and potentially more cost-effective, approaches to implementing U.S. commitments in the 2000 Plutonium Management and Disposition Agreement and its 2010 annex to dispose of excess weapons plutonium. DOE contracted for an independent validation of costs for plutonium disposition alternatives in accordance with congressional mandates. The results of that analysis will inform the Administration's approach to plutonium disposition. Information on the first phase of that analysis was provided to the Congress on April 21st.

Strategic Petroleum Reserve (SPR). The Administration opposes the \$212 million level provided for SPR. In addition to base program activities, the FY 2016 Budget request of \$257 million includes resources to fund timely replacement of equipment and physical systems, to begin to address the backlog of deferred maintenance activities, and to enhance distribution flexibility and reliability.

Energy Information Administration (EIA). The Administration urges the Congress to fully fund the FY 2016 Budget request of \$131 million for EIA to support expanded domestic energy data and analysis, address critical energy data gaps (including monthly movements of crude oil by rail), and increase integration of EIA energy data with Canada and Mexico.

Yucca Mountain. The Administration objects to the funding provided in the bill for Yucca Mountain and is disappointed with the rejection of the practical solutions proposed in the President's nuclear waste strategy. As reflected in the FY 2016 Budget request, this strategy incorporates important and workable elements, such as consent-based siting, interim storage of waste, and program funding reforms that are essential to the success of a Nuclear Waste Program.

Nuclear Regulatory Commission, Yucca Mountain. The Administration objects to the funding provided in the bill for the Nuclear Regulatory Commission to continue adjudication of the Yucca Mountain license application.

Office of the Federal Coordinator (OFC) for Alaska Natural Gas Transportation Projects. The Administration appreciates full funding for the OFC at the level of the FY 2016 Budget request, but is disappointed that the statutory amendment proposed in the FY 2016 Budget request is not included. The amendment is critical to the OFC's ability to fulfill its mission under current market conditions, which have changed the nature of projects being proposed.

Corps of Engineers – Civil Works (Corps)

Overall Funding. The bill provides nearly \$5.6 billion for the Corps civil works program. The Administration believes the more appropriate overall funding levels proposed in the FY 2016 Budget request would limit wasteful spending on projects that provide a low or marginal return

to the Nation and would avoid reductions in other priority areas, such as protecting the Nation's water resources and important investments in clean energy technologies.

Corps Regulatory Program. The Administration encourages the Congress to fund the Corps regulatory program at the requested level. A \$5 million reduction in funding would inhibit the Corps' ability to issue permits in a timely manner and to protect important aquatic resources, while undertaking needed programmatic improvements, including implementation of the pending Clean Water rulemaking.

Clean Water Act (CWA). The Administration believes that the CWA riders in the bill undermine efforts to protect America's clean water resources, which are critical to American families and businesses. The Administration strongly objects to section 105 of the bill in particular, which would disrupt the Administration's current efforts to clarify the scope of CWA, hamstringing future regulatory efforts, and create significant ambiguity regarding existing regulations and guidance.

Firearms Policy. The Administration objects to section 107 of the bill, which prohibits the Corps from enforcing its ban on firearms at a water resources development project. If enacted, this provision would prevent the Secretary of the Army from using the discretion now provided in law to enforce or revise the current Corps policy, based on considerations such as the security of critical infrastructure, public and employee safety, and the manner in which the firearm is carried (e.g., open vs. concealed). Corps rangers are not authorized to carry firearms and do not have full Federal law enforcement authority.

National Ocean Policy. The Administration objects to section 505 of the bill, which prohibits any funding provided in the bill from being used to implement the marine planning components of the National Ocean Policy. This rider would prohibit DOE and the Corps from participating in marine and coastal planning efforts, a process to better determine how the ocean, the Nation's coasts, and the Great Lakes are managed in an efficient manner.

Department of the Interior, Bureau of Reclamation and Central Utah Project

Overall Funding. The bill provides nearly \$1.1 billion for the Bureau of Reclamation and \$9.9 million for the Central Utah Project. The Administration appreciates the Committee's support for the Bureau of Reclamation water resources program.

The Administration looks forward to working with the Congress as the FY 2016 appropriations process moves forward.

* * * * *