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

July 22, 2024
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 8998 — Department of the Interior, Environment, and Related Agencies Appropriations Act, 2025
(Rep. Cole, R-OK)

The Administration strongly opposes House passage of H.R. 8998, making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year (FY) ending September 30, 2025 and for other purposes.

Earlier this year, the Administration and members of both parties in the Congress came together to pass bipartisan appropriations bills to fund programs that keep Americans safe and healthy, invest in education and affordable housing, and build on the economic progress of the past three and a half years. These appropriations bills are consistent with the agreement the President and House Republican leadership reached last year to avoid a first-ever default and protect the President's investment agenda and critical programs from deep cuts, using necessary adjustments to statutory caps.

Rather than respecting their agreement and taking the opportunity to engage in a productive, bipartisan appropriations process to build on last year's bills, House Republicans are again wasting time with partisan bills that would result in deep cuts to law enforcement, education, housing, healthcare, consumer safety, energy programs that lower utility bills and combat climate change, and essential nutrition services.

The draft bills also include numerous, partisan policy provisions with devastating consequences including harming access to reproductive healthcare, threatening the health and safety of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex (LGBTQI+) Americans, endangering marriage equality, hindering critical climate change initiatives, and preventing the Administration from promoting diversity, equity, and inclusion.

The Administration stands ready to engage with both chambers of the Congress in a bipartisan appropriations process to enact responsible appropriations bills that fully fund Federal agencies in a timely manner.

<u>If the President were presented with H.R. 8998, he would veto it</u>.

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

<u>Department of the Interior (DOI) and Department of Agriculture (USDA), Forest Service</u>

DOI Topline. The Administration is concerned with the overall funding level for DOI, which is $16.8 billion or 6 percent below the President's FY 2025 Budget request. At this funding level, DOI would be unable to adequately conserve and protect the Nation's natural resources and cultural heritage, maintain or improve critical infrastructure on public lands, or honor trust and treaty responsibilities to American Indians, Alaska Natives, and affiliated Island Communities. In addition, this lower funding level does not adequately support environmental permitting programs at DOI, which would result in slower project delivery for much-needed infrastructure and clean energy development across the Nation.

Poison Pill Provisions. The Administration strongly opposes the nearly 100 harmful policy provisions in the bill that interfere with DOI's scientific and evidence-based decision-making. Among other negative impacts, these provisions would slow the Nation's progress in growing the clean energy economy by restricting or modifying DOI's energy and mineral development programs, and overturn science-based rulemakings that protect public lands and help to prevent numerous species from extinction.

Wildland Firefighter Pay. The Administration greatly appreciates that the bill authorizes permanent, comprehensive pay reform for Federal wildland firefighters and provides the funding necessary to implement such reform, consistent with the President's 2025 Budget request. Permanent, comprehensive pay reform would alleviate the significant financial uncertainty wildland firefighters have faced through a series of temporary stopgap measures. The Administration looks forward to continuing to work with the Congress on securing support for the full suite of wildland firefighting workforce reforms included in the Budget.

Tribal Programs. The Administration appreciates the increases in the bill for DOI's tribal programs, including the investments in public safety and justice programs. However, the Administration is disappointed that resource levels for other programs, including for critical human services and education programs, are below the 2025 President's Budget request. In addition, the Administration opposes the elimination of the Indian Land Consolidation program and continues to urge the Congress to enact a long-term and reliable funding solution for Contract Support Costs, 105(l) Leases, and Indian Water Rights Settlements.

<u>Environmental Protection Agency (EPA)</u>

EPA Topline. The Administration strongly opposes the bill's 20-percent reduction to EPA's total budget. The bill would provide $7.4 billion to EPA, a $1.8 billion reduction below FY 2024 enacted levels and $3.6 billion below the FY 2025 Budget request. If enacted, this would be the lowest EPA funding level in over 25 years and would have significant negative impacts on the Agency's ability to protect human health and the environment. Such reductions include a 29-percent decrease to EPA's core operating budget compared to the FY 2024 enacted and would require a reduced workforce. This would severely limit EPA's science and technology activities, regulatory and enforcement responsibilities, ability to address the health effects of wildfire smoke, work to protect children's health, and other vital functions necessary to protect the American people. Notably, the bill would eliminate funding that supports activities that are central to combatting the climate crisis, such as Greenhouse Gas Reporting, the U.S. Inventory of Greenhouse Gas Emissions and Sinks, and testing and certifying vehicles for compliance with emissions standards.

State Revolving Funds (SRFs). The Administration is strongly opposed to the dramatic cuts to the funding that States typically receive through the water infrastructure State Revolving Funds (SRFs). The bill cuts SRFs by nearly $300 million below the FY 2024 enacted level, inclusive of the redirection to specific projects from traditional SRFs provided to States. This would limit States' ability to fund their highest priority water needs and operate their programs effectively.

Environmental Justice. The Administration strongly opposes the reduction to overall funding levels in the bill, which would result in devastatingly reduced funding for Environmental Justice activities at EPA. The funding levels in the bill would provide only $6 million for Environmental Justice in EPA's Superfund account and eliminates funding in the Environmental Programs and Management account, which is $94 million below FY 2024 enacted level and more than $300 million below the FY 2025 Budget request. This would drastically reduce resources and technical assistance to communities overburdened by pollution and impede EPA's progress toward ensuring all communities are fully protected from disproportionate and adverse environmental and health effects and hazards.

Limits on Clean Air and Climate Rulemakings. The Administration strongly opposes language in the bill that would interfere with EPA's authority to implement the Clean Air Act. Multiple provisions that prohibit the Agency from using funds to finalize, implement, administer, or enforce numerous rulemakings under the Clean Air Act—including but not limited to the Federal Good Neighbor Plan, multiple actions under section 111 addressing greenhouse gas emissions from fossil fuel-fired electric generating units, New Source Performance Standards, and vehicle emissions standards—undercut EPA's longstanding authority to regulate under the law, and ignores using the best available science to protect families and communities from harmful air pollution.

Waste Emissions Charge. The Administration opposes the prohibition in the bill on the use of funds to develop, propose, finalize, implement, or enforce regulations implementing the Waste Emissions Charge or any charge on methane emissions under section 136 of the Clean Air Act. The Waste Emissions Charge is designed to work together with the Clean Air Act rules for oil and natural gas facilities and complements other efforts to measure and reduce emissions from the U.S. oil and gas sector.

Pesticides Regulation. The Administration strongly opposes language in the bill that would interfere with EPA's authority to implement the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). Section 473 of the bill would prohibit the Agency from using funds to finalize, implement, administer, or enforce the proposed interim registration review decision and draft risk assessment addendum for ethylene oxide. In addition, section 467 of the bill would limit EPA's pesticide labeling and regulatory activities. These limitations would impair EPA's long-established jurisdiction to regulate under the law, and disregards using the best available science to protect human health and the environment.

Coal Combustion Residuals (CCR) Rulemaking. The Administration strongly opposes section 485 of the bill, which would limit EPA's authority to implement, administer, or enforce the final rule entitled, "Hazardous and Solid Waste Management System:

Disposal of Coal Combustion Residuals From Electric Utilities; Legacy CCR Surface Impoundments," under the Resource Conservation and Recovery Act. This rule, if finalized, could protect communities, groundwater, waterways, drinking water, and the air from potential CCR contamination. This section undermines EPA's responsibility and authority to protect human health and the environment.

Clean Water Act Safeguards. The Administration strongly opposes language in the bill that would interfere with implementation of important clean water safeguards, in particular effluent limitation guidelines that protect the public by limiting pollution from steam electric generating facilities and meat and poultry processing facilities.

Toxic Substances Control Act (TSCA) Support Funding. The Administration is concerned with the reduction in funding for TSCA implementation, which is $85 million below the FY 2025 Budget request. The reductions made to programs that support TSCA would impact EPA's ability to protect the American people and the environment from dangerous chemicals by preventing the Agency from meeting critical hiring needs and slowing information technology modernization efforts that would increase the efficiency of chemical risk reviews.

<u>Independent and Other Agencies</u>

National Environmental Policy Act (NEPA) Phase 1 and 2 Funding Prohibition. The Administration strongly opposes sections 479 and 480 of the bill, which would prohibit funding from being used to implement, administer, and enforce the Council on Environmental Quality's (CEQ) NEPA Phase 1 and Phase 2 final rules. CEQ's rules include setting clear deadlines for agencies to complete environmental reviews, requiring a lead agency and setting specific expectations for lead and cooperating agencies, and creating a unified and coordinated Federal review process. These reforms accelerate the deployment of clean energy, transmission, clean water, high-speed internet, semiconductor manufacturing, and other crucial infrastructure needed to combat climate change and secure America's supply chains. Prohibiting funding from being used to implement, administer, and enforce these rules would not change the underlying law, but would throw the Federal environmental review and permitting process into uncertainty, delaying projects critical to combating climate change and securing America's supply chains.

NEPA Greenhouse Gas Guidance Funding Prohibition. The Administration strongly opposes section 478 of the bill, which would prohibit funding from being used to finalize, implement, administer, or enforce the CEQ's Guidance on Consideration of Greenhouse Gas Emissions and Climate Change. CEQ's interim guidance helps Federal agencies better assess and disclose climate impacts as they conduct environmental reviews, delivering more certainty and efficiency in the permitting process for clean energy and other infrastructure projects, and reducing the risk of litigation that would tie up necessary infrastructure. Without this guidance, Federal agencies would be hindered in how they assess the climate impacts of permitting projects. The interim guidance is not an enforceable rule and therefore the prohibition on using funds to "enforce" the guidance is unnecessary.

CEQ. The Administration strongly opposes the 78-percent reduction in funding for CEQ from the FY 2025 President's Budget request, which, if enacted, would severely limit the

Administration's ability to advance the President's climate, conservation, permitting, and environmental justice agenda for the Nation. At this level, CEQ would be severely limited in its ability to accelerate the deployment of vital infrastructure, improve environmental review and permitting processes, deliver a cleaner and healthy environment for all, and support locally led conservation of the Nation's lands, waters, and wildlife.

Smithsonian Institution. The Administration opposes the level of funding provided for the Smithsonian Institution in the bill, which would be a reduction of 12 percent from the FY 2024 enacted level and a 17-percent reduction below the FY 2025 President's Budget request. In particular, the bill includes a 38-percent reduction from the FY 2024 enacted level to the Facilities Capital account, which would allow the continuing decay of national museums, create costly delays for ongoing projects, and further delay the start of construction for the new Latino and Women's museums.

National Gallery of Art. The Administration opposes the level of funding provided for the National Gallery of Art in the bill, which would be a 10-percent reduction from the FY 2024 enacted level and a 13-percent reduction below the FY 2025 President's Budget. In particular, the bill includes a 50-percent reduction from the FY 2024 enacted level to the Repair, Restoration and Renovation account, which would only serve to increase the long-term costs of must-do facility renewal projects.

John F. Kennedy Center for the Performing Arts. The Administration opposes the level of funding provided for the Kennedy Center in the bill, which would be a 15-percent reduction from the FY 2024 enacted level and a 17-percent reduction below the FY 2025 President's Budget request. In particular, the bill includes a 53-percent reduction from the FY 2024 enacted level to the Capital Repair and Restoration account, which would severely undercut the Center's ability to address its maintenance backlog and repair and renovation projects needed to ensure the building remains safe and functional.

<u>Department of Health and Human Services (HHS)</u>

Indian Health Services (IHS) Topline. The Administration is concerned that the funding level provided in the bill for the IHS' Services and Facilities is significantly below the FY 2025 President's Budget request. These decreases could result in fewer American Indian and Alaska Native patients receiving critical healthcare services in facilities that continue to degrade. Given the recent Supreme Court decision, *Becerra v. San Carlos Apache Tribe*, the Administration looks forward to working with the Congress on a long-term and reliable funding solution to ensure the Government meets its commitment to provide American Indians and Alaska Natives with high-quality healthcare.

<u>Climate</u>

Social Cost of Carbon. The Administration strongly opposes sections 454 and 477 of the bill, which would prohibit the Administration's ability to incorporate the social cost of carbon into Government processes and decisions and prohibit funding for the Interagency Working Group on the Social Cost of Greenhouse Gases. This prohibition would take away an important tool in making data-driven decisions informed by the scientific literature on climate change and its economic impact.

Anti-Climate and Environmental Justice Provisions. The Administration strongly opposes section 449 of the bill, which would interfere with the Administration's critical actions and investments being made to address the climate crisis and advance environmental justice. Removing, reversing, delaying, or blocking the Administration's climate and environmental justice policies would backtrack on the progress that the United States is making to reduce harmful pollution, create opportunities in the clean energy economy, and protect Americans from climate-fueled disasters including in communities that were historically marginalized and overburdened by pollution.

Natural Assets. The Administration strongly opposes section 450 of the bill, which would interfere with the Administration's ability to better measure the economic value that the Nation's natural assets—such as forests, fisheries, and waterways—provide to the Nation. This provision would make it more difficult for the Federal Government to value ecosystem services—such as how wetlands can help filter water and provide protection against extreme flooding—and thereby impede policy solutions that offer cost-effective environmental protection.

<u>Constitutional Concerns</u>

Certain provisions of the draft bill raise constitutional issues, including by conditioning the Executive authority to take certain actions on receiving the approval of the House and Senate Committees on Appropriations. The Administration looks forward to working with the Congress to address these and other concerns.

The Administration looks forward to working with the Congress as the FY 2025 appropriations process moves forward.

* * * * * * *