



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

May 31, 2012
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5325 – Energy and Water Development and Related Agencies

Appropriations Act, 2013

(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 5325, making appropriations for energy and water development and related agencies for the fiscal year (FY) ending September 30, 2013, and for other purposes.

Last summer, the Congress and the President came to a bipartisan agreement to put the Nation on a sustainable fiscal course in enacting the Budget Control Act of 2011 (BCA). The BCA created a framework for more than \$2 trillion in deficit reduction and provided tight spending caps that would bring discretionary spending to a minimum level needed to preserve critical national priorities. Departing from the bipartisan agreement reached in the BCA and departing from these caps, the House of Representatives put forward a topline discretionary funding level for FY 2013 that, for example, would cost jobs and hurt average Americans, especially seniors, veterans, and children – as well as degrade many of the basic Government services on which the American people rely, such as air traffic control and law enforcement. In addition, these cuts were made in the context of a budget that fails the test of balance, fairness, and shared responsibility by giving millionaires and billionaires a tax cut and paying for it through deep cuts, including to discretionary programs.

Taking this into account, passing H.R. 5325 at its current funding level would mean that when the Congress constructs other appropriations bills, it would necessitate significant and harmful cuts to critical national priorities such as education, research and development, job training, and health care. Furthermore, this bill undermines key investments in clean energy and scientific research and development, building blocks of our Nation's future economy. Investing in these areas is critical to the Nation's economic growth, security, and global competitiveness. The Administration also strongly objects to the inclusion of ideological and political provisions that are beyond the scope of funding legislation.

If the President were presented with H.R. 5325, his senior advisors would recommend that he veto the bill.

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

Department of Energy (DOE)

Advanced Research Projects Agency–Energy (ARPA–E). The Administration strongly opposes the

reduction in funding for ARPA-E. The bill provides \$200 million for the program, which is \$150 million below the FY 2013 Budget request and \$75 million below the FY 2012 enacted level. ARPA-E funds early stage, transformative energy technology research that industry, by itself, is unlikely to support. Investments in ARPA-E are aimed at ensuring that the Nation remains at the forefront of new energy technology development to ensure the United States remains a lead competitor in this area.

Office of Energy Efficiency and Renewable Energy (EERE). The Administration strongly opposes the level of funding provided for EERE, which is \$886 million below the FY 2013 Budget request and \$428 million less than the FY 2012 enacted level. The current funding in the bill would be the lowest level of funding for EERE since FY 2006, leaving U.S. competitiveness at risk in new markets and 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. This level cuts funding for solar energy and for building energy efficiency nearly in half from the FY 2012 enacted level.

Office of Science. The Administration strongly opposes the level of funding in the bill for the Office of Science, which is \$191 million below the FY 2013 Budget request and \$73 million below the FY 2012 enacted level. The funding provided would hinder important research underpinning U.S. innovation in clean energy technologies and applications. The Office of Science also funds basic research across a broad spectrum of physical, biological, and environmental sciences. Reductions in support for these areas may lead to a loss of U.S. leadership in many areas of science.

Energy Information Administration (EIA). The Administration urges the House to fully fund EIA, which will allow the agency to continue to provide independent and rigorous analysis of America's energy markets, including important national energy consumption and production data. This level is also necessary to improve the security of procedures and data delivery methods for reports, such as weekly oil stock reports, that can move market prices. The bill currently provides \$100 million, which is \$16 million below the FY 2013 Budget request and \$5 million less than the FY 2012 enacted level.

National Nuclear Security Administration. The Administration greatly appreciates the Committee's support for Presidential initiatives to reduce the threat of nuclear weapons and to maintain a robust deterrent. This support will help continue efforts to secure nuclear materials in four years, maintain a safe, secure, and effective nuclear stockpile through stockpile stewardship and life extensions, recapitalize the aging infrastructure of the nuclear enterprise, and develop a reactor for the Ohio Class replacement submarine.

Statutory by Reference Provision. The Administration urges the House to remove section 301(c) of the bill, which incorporates the text as well as the specific funding directions of the House report into the statute by reference. There are multiple provisions in the report language that could be problematic or otherwise counter to the specific activities laid out in the FY 2013 Budget. In addition, enactment of this provision would limit flexibility and efficiency in execution.

Army Corps of Engineers (Corps)

Overall Funding and New Starts. The Administration urges the House to reduce the overall level of

funding to that requested in the FY 2013 Budget, and to reallocate funds to restore funding requested for several priority programs and initiatives. These priority programs include the start of construction work on an important new program to reverse damage to the coastal Louisiana ecosystem and other priority new construction starts; a study requested by the Congress to examine flood risks nationwide to improve existing programs; and the restoration of \$15 million to the Corps' regulatory program, so it can process permit applications in a timely manner.

Inland Waterways. The Administration appreciates the Committee's continued strong support for cost-sharing of inland waterways capital investments. The Administration also urges the House to include the general provision proposed in the FY 2013 Budget to increase the total authorized cost for the Olmsted Locks and Dam project.

Department of the Interior, Bureau of Reclamation

San Joaquin River Restoration. The Administration strongly opposes the Committee's elimination of funding for this program, which would undermine the San Joaquin River Restoration Settlement's goals to restore and maintain fish populations and reduce or avoid water supply impacts.

Policy Riders

The Administration strongly opposes problematic policy and language riders including, but not limited to, the following provisions in this bill:

Yucca Mountain. Section 508 of the bill would prohibit using funds made available by the bill for any actions related to the Administration's plan for Yucca Mountain, such as closing the application process.

DOE Weatherization Assistance Program. Section 307 of the bill permanently blocks existing Weatherization Assistance Program authorizations, reducing the efficiency of the program by lowering the maximum income level for retrofit assistance eligibility, the maximum financial assistance per weatherized home, and the maximum allocation allowed for Training and Technical Assistance from current levels.

Fossil-fuel generated energy consumption reduction. Section 311 would prevent funding for the development and implementation of a rule to improve energy efficiency and reduce reliance on fossil fuels in Federal buildings, and would hinder the Administration's ability to improve the efficiency of Federal buildings and reduce harmful greenhouse gas and air pollutant emissions.

Clean Water Act (CWA). Section 110 of the bill would stop an Administration effort to provide clarity on which water bodies are covered by CWA. The existing regulations were the subject of two Supreme Court cases in 2001 and 2006, in which the Court indicated the need for greater regulatory clarity on the scope of CWA jurisdiction.

The Administration looks forward to working with the Congress as the FY 2013 appropriations process moves forward.

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