



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

THE DIRECTOR

June 24, 2015

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
U.S. Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

On June 11, 2015, the Appropriations Committee considered the fiscal year (FY) 2016 Commerce, Justice, Science, and Related Agencies Appropriations bill. The Administration supports investments in research, development, and innovation that are critical to the Nation's economic growth, security, and competitiveness in the global marketplace, as well as investments in law enforcement and access to justice that help ensure the safety and well-being of individuals, communities, and tribal nations. However, we have a number of serious concerns about this legislation, which would underfund these important investments and includes highly problematic ideological riders. In advance of Floor consideration of the Committee-reported bill, I would like to take this opportunity to share some of these concerns with you.

The Commerce, Justice, Science, and Related Agencies Appropriations bill is among the first several appropriations bills being considered in the Senate under the congressional 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 non-defense and defense to the lowest levels in a decade, adjusted for inflation. 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, millions fewer workers receiving job training and employment services, and drastic cuts to 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 21<sup>st</sup> 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. As the Administration has repeatedly made clear, the President's senior advisors would recommend that he veto any legislation that implements the current Republican budget framework, which blocks the investments we need for our economy to compete in the future.

The inadequate overall funding levels in the Republicans' 2016 budget framework, together with misplaced priorities, cause a number of problems with the bill specifically. Overall, according to the Committee, this bill reduces funding by about \$985 million, or about 1.9 percent, below the President's Budget, with far deeper cuts for a number of key priorities. After adjustments for comparability, funding for this bill is more than \$3 billion below the President's request. The bill's shortsighted funding cuts undermine both fiscal responsibility and economic competitiveness, since they would prevent investments that both reduce future costs to taxpayers and inform business decision making, improve weather forecasting, support business expansion into new markets, and spur development of innovative technologies. The bill also shortchanges other key priorities, including basic research, public safety, and legal services and civil rights enforcement. Problems with the bill include:

***Shortsighted cuts that would increase out-year costs and compromise the quality of key data that both the public and private sectors rely on:***

- The bill cuts the Census Bureau's Periodic Censuses and Programs account by \$360 million, or almost one third, compared with the President's request, with serious consequences for the 2020 Decennial Census. Not only will the 2020 Census determine the allocation of congressional representation and establish official local and State geographic and legislative boundaries, it also serves as a fundamental building block of datasets businesses use to make location, manufacturing, workforce, and production decisions. The reductions in the bill would curtail critical testing, scale-up, and implementation of efforts to improve the efficiency and cost-effectiveness of the 2020 Census, increasing future Census costs by up to \$5 billion. The bill could also force Census to make drastic cuts to other bedrock sources of economic and social indicators, such as the American Community Survey or the 2017 Economic Census.
- The bill cuts the President's Budget by \$245 million, or 64 percent, for the National Oceanic and Atmospheric Administration's (NOAA) next generation of polar-orbiting weather satellites, which provide critical data to maintain the quality of mid-range weather forecasts. In addition to informing the day-to-day operations of businesses and individuals, weather data from NOAA satellites help predict the potential impact of extreme weather events, which lets communities and emergency responders prepare. Independent groups and the Government Accountability Office Government-wide High Risk List have highlighted the risk of a gap in weather satellite coverage. The funding level in the bill puts the continuity of the polar weather observations at substantial risk, and would ultimately result in the next generation of polar-orbiting weather satellites costing taxpayers more.

***Research and development cuts that would slow the pace of discovery and innovation and reduce future economic competitiveness:***

- The bill reduces funding for manufacturing programs at the National Institute of Standards and Technology by \$161 million, or 53 percent, compared with the President's Budget, undercutting efforts to strengthen resurgent U.S. manufacturing. Despite broad bipartisan support for the Revitalize American Manufacturing and Innovation Act and the National Network for Manufacturing Innovation it authorizes, the bill provides none of the requested funds to establish two manufacturing institutes that would support industry-proposed manufacturing technology development and help bridge the gap between basic research and product development.
- The bill cuts support for the National Aeronautics and Space Administration's (NASA) Commercial Crew Program by \$344 million, or 28 percent, relative to the President's Budget. This reduction delays building a safe and cost-effective U.S. capability to launch U.S. astronauts to the International Space Station by 2017. A delay in this capability would force a continued reliance on and payment for Russian capabilities for transporting U.S. astronauts.
- This bill reduces investments in Space Technology by \$125 million, or 17 percent, relative to the request. Under this bill, most of the currently planned missions would either be terminated or significantly delayed. Expected impacts include deferring demonstration of a cutting-edge laser communication system, slowing our progress on the journey to Mars, and hindering the international competitiveness of the U.S. space industry.
- The bill underfunds the National Science Foundation, providing \$380 million, or 5 percent, less than the President's Budget for an agency that carries a major share of the Federal Government's responsibility to support basic research in science and engineering—research that produces the seed corn on which future innovation depends, but by its nature is too uncertain in ultimate application to attract private-sector funding. Compared to the President's Budget, the bill would lead to about 700 fewer research grants, affecting about 9,100 researchers, technicians, and students.

***While the Senate Committee bill is an improvement over the House bill, it fails to fully fund key priorities that are essential to the stability of our communities and the integrity of our criminal justice system:***

- While the Administration notes the Committee's support of funding for the Federal Bureau of Investigation, the bill underfunds other critical law enforcement components of the Department of Justice. Trust between law enforcement agencies and the people they protect and serve is essential, but the Committee bill would leave the components unable to support key State and local initiatives that promote innovative criminal justice reforms, improve relations between communities and police, and implement important initiatives aimed at making our communities and citizens safer.
- The bill significantly underfunds the Bureau of Prisons. It is especially troubling that the bill does not appear to provide the funding requested to enhance mental health and re-entry

services designed to address the mental health needs of serving inmates and the needs of the approximately 45,000 Federal inmates that return to our communities each year.

- While the bill proposes a new Strengthening Police-Community Relations initiative that includes elements of the Administration's Community Policing Initiative (CPI) proposal, it falls short of the funding necessary to ensure the success of critical components of the Administration's request. Improving community-police relations is critical to maintaining public safety and confidence in the criminal justice system. The Administration supports the \$50 million the Senate provided for CPI funding, including partial funding of the request for Smart Policing, Body Worn Cameras (BWC), and the collaborative reform initiative. However, the Administration urges the Congress to fully fund the President's request, which would further increase the use of BWCs and enable the Community Oriented Policing office to partner with more law enforcement agencies and cities that may need assistance on a wide variety of criminal justice issues.
- This bill also underfunds General Legal Activities, which includes civil rights, environmental protection, healthcare fraud enforcement, cybercrime prosecution, and international law enforcement training and justice development. This funding level in the bill also does not support the Administration priority to improve the Mutual Legal Assistance Treaty process, jeopardizing law enforcement's relationships with key bilateral partners as well as failing to address continuing concerns on the part of U.S. companies, and unnecessarily impeding law enforcement's ability to obtain access to information on international criminal and terrorist organizations.

***Insufficiently funds legal services and civil rights protection:***

- The bill underfunds the Legal Services Corporation (LSC). While the Administration appreciates that the Senate avoided the deep cuts found in the House bill, this level does not fully address LSC's needs. At this level, thousands of low-income Americans, including many military families and veterans, would be denied assistance impacting their due process and fair treatment in the courts.
- This bill also fails to adequately address civil rights protection, which is more important than ever in promoting police reform and community and neighborhood security. The Civil Rights Division plays a critical role in addressing unconstitutional policing practices throughout the Nation, helping to restore community faith in law enforcement. By underfunding the Division, the bill would undermine its ability to address problems in specific jurisdictions and develop best practices for encouraging effective and accountable policing in every jurisdiction, as well as the critical role it plays in protecting the rights of all Americans.

Unfortunately, under sequestration levels, even the inadequate funding levels provided by the bill would require larger cuts in other appropriations bills. Taking into account this bill and the six other bills that have been marked up so far, the Republican budget framework would require cuts of roughly 10 percent compared to the President's Budget for the rest of the non-defense discretionary accounts.



The bill also includes highly problematic ideological riders. Specifically, the Administration strongly objects to the unwarranted restrictions the bill contains regarding detainees held at Guantanamo Bay. The Administration also strongly objects to numerous provisions that would severely inhibit efforts to combat illegal gun trafficking. These include restrictions preventing the Bureau of Alcohol, Tobacco, Firearms and Explosives from curtailing the importation of "curio or relic" firearms or ammunition and denying applications to import shotguns that do not meet the statutory "sporting purposes" test. 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.

The Administration appreciates the Committee's support for reorganizing business and trade agencies to increase efficiencies. However, we oppose provisions that would simply consolidate the United States Trade Representative (USTR) into the Department of Commerce. The FY 2016 Budget requests the authority to reorganize certain business and trade-related agencies in a coordinated effort that would achieve greater efficiencies over the long term. Simply consolidating USTR into the Department of Commerce without the broader consolidation authority could potentially damage international trade negotiations without achieving the benefits sought through the Administration's proposal.

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 Barbara Mikulski