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CHIEF OF STAFF

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

Opening Statement of
Chairman Doc Hastings
Committee on Natural Resources
On Tuesday, January, 14, 2014
1324 Longworth House Office Building
Full Committee Oversight Hearing on:

"Oversight of the Obama Administration's Questionable Application of Sequestration to the Secure Rural Schools Program and the Costs to States, Local Economies, and Rural School Children"

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DEMOCRATIC STAFF DIRECTOR

We're here today to get questions answered regarding the Obama Administration's decision to retroactively subject 2012 Secure Rural School payments to President Obama's 2013 sequestration cuts.

The Secure Rural Schools program helps provide rural counties with funds for teachers, schools, police officers, emergency services, and infrastructure. These payments are necessary because the federal government has failed to uphold its century-old promise to actively manage our National Forests and provide a stable revenue stream for rural counties containing National Forest land.

In July of 2012, President Obama signed into law an extension of the Secure Rural Schools program for Fiscal Year 2012. These FY 2012 funds, totaling \$323 million, were distributed to 41 states by the Department of Agriculture in January of 2013. Two months later, on March 19, 2013, the Obama Administration announced, citing sequestration cuts, that it was requesting repayment of \$17.9 million that had already been distributed.

This action immediately sparked bipartisan opposition from Congress. State governors of both parties informed the Administration that they would not repay the funds due to the questionable legal authority.

The Obama Administration appeared intent on making the sequester as painful and visible as possible, and this was another example. Instead of working with Congress to make responsible cuts and reforms, the Administration took the political opportunity to go after funds used to pay teacher and police salaries.

Several questions immediately arose from the Administration's actions including how and why the decision was reached to apply sequestration to the FY 2012 funds and what legal authority they had to do so.

Numerous oversight letters were sent to the USDA and OMB that included requests for documents and information, which were largely ignored. This left the Committee with no choice but to issue subpoenas for these documents. It was only after subpoenas were

issued and we invited Secretary of Agriculture Vilsack and OMB Director Burwell to appear before the Committee that documents began to slowly trickle in.

I must express my frustration and disappointment in the Obama Administration for repeatedly stonewalling Congress and stalling our legitimate oversight efforts. It's unacceptable and the American people deserve better from an Administration that boasts of being the most open and transparent in history.

Secretary Vilsack and Director Burwell refused invitations to testify on this issue, as did U.S. Forest Service Chief Thomas Tidwell, USDA General Counsel Ramona Romero, and OMB Deputy Director for Budget Brian Deese. Instead, the USDA sent Robert Bonnie, Undersecretary for Natural Resources and Environment. The OMB sent no one.

Mr. Bonnie, since you are the one and only witness the Obama Administration has agreed to produce, we must assume that means you are an expert on this issue with full knowledge of what happened and have the ability and authority to fully answer questions.

This morning the Committee released a staff report on the preliminary findings of our investigation into this matter. Our investigation found that it was the White House Office of Management and Budget that ordered the sequestration cuts to apply to Secure Rural Schools funds already distributed; and that this was done over the opposition and legal advice of USDA attorneys.

The SRS program was renewed for FY 2013 and distribution of these funds should be announced any day now. The OMB and USDA have said that these funds will not be subjected to the sequester, and I hope to hear further confirmation of that today.

Ultimately, this matter is further justification for why the Senate must act on H.R. 1526, the Restoring Healthy Forests for Healthy Communities Act. The Secure Rural Schools program was intended to be a short-term solution and counties are still lacking a stable, dependable source of revenue.

This bill, which passed the House with bipartisan support, would restore active forest management and once-again share timber revenue with counties. It would also create over 200,000 jobs and provides funding for the Secure Rural Schools program for FY 2014.

This is one of many House-passed jobs bills on which Harry Reid's Senate must take immediate action.

I expect answers from our witness today and that we can walk away from this hearing giving rural counties the assurance that they will not endure further, politically motivated, cuts to schools, law enforcement, and emergency services.

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