



441 G St. N.W.  
Washington, DC 20548

B-330045.2

June 18, 2018

The Honorable Michael R. Pence  
President of the Senate

The Honorable Paul Ryan  
Speaker of the House of Representatives

Subject: *Impoundment Control Act of 1974—Review of the President’s Supplementary Message of June 5, 2018*

Under section 1012 of the Congressional Budget and Impoundment Control Act of 1974 (ICA), the President may transmit to Congress a special message proposing that Congress rescind budget authority. Pub. L. No. 93-344, title X, § 1012, 88 Stat. 297, 333–34 (July 12, 1974), *classified at* 2 U.S.C. § 683. Pursuant to this authority, on May 8, 2018, the President transmitted to Congress a special message proposing rescissions from 38 appropriation accounts. 164 Cong. Rec. S2548 (daily ed. May 8, 2018); 83 Fed. Reg. 22525 (May 15, 2018). On May 22, 2018, we submitted to you a letter pursuant to our statutory duty to assist Congress by reviewing the special message. B-330045, May 22, 2018.

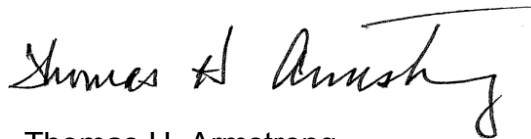
If any information contained in the President’s special message is subsequently revised, the President must transmit to Congress “a supplementary message stating and explaining such revision.” ICA § 1014(c), 2 U.S.C. § 685(c). Pursuant to this provision, President Trump submitted to Congress a supplementary message on June 5, 2018. 164 Cong. Rec. H4761 (June 5, 2018); 164 Cong. Rec. S2990–S2991 (June 5, 2018); 83 Fed. Reg. 27030 (June 11, 2018) (Supplementary Message).

We are submitting this letter pursuant to our statutory duty to notify Congress of any change in the information that we submitted in our May 22, 2018 letter. ICA § 1014(c), 2 U.S.C. § 685(c). We reviewed each of the President’s 10 revised rescission proposals:

1. Three of the revised proposals contained technical corrections to the original proposals. Two of these (numbers R18-24A and R18-37A) corrected the account name and number for the proposed rescission. We contacted the agencies affected by each of these rescissions and verified that the agencies were withholding from obligation amounts from the accounts as specified in the revised proposal. The third of these revisions (number R18-2A) corrected a legal citation but did not change the total amount proposed for rescission or the account name or number of the proposed rescission.

2. Three of the revised proposals (numbers R18-3A, R18-21A, and R18-35A) decreased, but did not reduce to zero, the amount proposed for rescission. We have verified with officials at each affected agency that it is withholding amounts from obligation in accordance with the revised proposals.
3. Four of the revised proposals (numbers R18-27, R18-28, R18-30, and R18-36) withdrew the proposed rescissions. For each of these, we verified with officials at the affected agency that it was no longer withholding any amounts from obligation.
4. We confirmed that the Supplementary Message does not include new rescission proposals.
5. We did not identify any updated or additional prior GAO work regarding the subject matter of any of the proposals.

In the Enclosure we offer further information on each of the revised rescission proposals in the Supplementary Message. If you have any questions, please contact Julia C. Matta, Managing Associate General Counsel, at (202) 512-4023, or Omari Norman, Assistant General Counsel for Appropriations Law, at (202) 512-8272.



Thomas H. Armstrong  
General Counsel

Enclosure

## **R18-2A**

**Department of Agriculture  
Natural Resources Conservation Service  
Farm Security and Rural Investment Programs (012-1004 /X)  
Amount proposed for rescission: \$499,507,921**

The Supplementary Message corrects the title of the appropriation act referenced in paragraph (1). Supplementary Message, at 1. Although the revised rescission proposal refers to both the Food Security Act of 1985 and the Food Safety Act of 1985, the Office of Management and Budget (OMB) has advised us that the proposed rescission appropriation language should refer only to the Food Security Act of 1985. See 16 U.S.C. § 3841(a)(5).

## **R18-3A**

**Department of Agriculture  
Natural Resources Conservation Service  
Watershed and Flood Prevention Operations (012-1072 /X)  
Amount proposed for rescission: \$50,000,000**

The Supplementary Message reduces the amount proposed for rescission from \$157,482,457 to \$50,000,000. Supplementary Message, at 3–4. On June 4, 2018, OMB issued a revised apportionment schedule instructing the Department of Agriculture (USDA) to withhold \$50,000,000 from obligation. We verified with USDA officials that the agency is now withholding only \$50,000,000 from obligation.

## **R18-21A**

**Department of Housing and Urban Development  
Public and Indian Housing Programs  
Public Housing Capital Fund (086-0304 2017/2020)  
Amount proposed for rescission: \$31,980,121**

The Supplementary Message reduces the amount proposed for rescission from \$34,051,236 to \$31,980,121. Supplementary Message, at 5–6. We noted in our May 22, 2018 letter to you that OMB instructed the Department of Housing and Urban Development (HUD) to withhold \$31,980,121 from obligation; thus, the amount proposed for rescission now matches the amount that OMB instructed HUD to withhold from obligation. See B-330045, at 8. There is no other change to the information we submitted for this proposal in our May 22, 2018 letter. See *id.*

## **R18-24A**

**Department of Labor  
Employment and Training Administration  
Training and Employment Services, Recovery Act (016-0184 /X)  
Amount proposed for rescission: \$22,913,265**

The Supplementary Message corrects the account name and number for this proposal. Supplementary Message, at 7–8. The apportionment schedule that OMB approved on May 8, 2018 contained an account number and name consistent with the Supplementary Message. There is no other change to the information in our May 22, 2018 letter. See B-330045, at 9. We verified with officials at the Department of Labor that the agency is withholding from obligation amounts from the account specified in the Supplementary Message.

## **R18-27**

**International Assistance Programs  
Agency for International Development  
International Disaster Assistance (072-1035 /X)  
Amount originally proposed for rescission: \$252,000,000**

The Supplementary Message withdraws this proposed rescission. Supplementary Message, at 9. OMB approved a revised apportionment schedule instructing the Agency for International Development (USAID) to make these amounts available for obligation. We verified with officials at the Agency for International Development that the agency is no longer withholding these amounts from obligation.

## **R18-28**

**Department of Transportation  
Federal Highway Administration  
Miscellaneous Appropriations (069-0538 /X)  
Amount originally proposed for rescission: \$85,938,251**

The Supplementary Message withdraws this proposed rescission. As we previously noted, on May 22, 2018, OMB advised us that it had instructed the Department of Transportation to release the funds previously withheld from obligation under this rescission proposal. B-330045.1, May 24, 2018. OMB also approved a revised apportionment schedule for the affected account. We reviewed these revised schedules and they reflect the release of the previously withheld funds. We verified with officials at the Department of Transportation that the agency is no longer withholding these amounts from obligation.

## **R18-30**

**Department of Transportation  
Federal Highway Administration  
Miscellaneous Highway Trust Funds (069-8058 /X)  
Amount originally proposed for rescission: \$48,019,600**

The Supplementary Message withdraws this proposed rescission. As we previously noted, on May 22, 2018, OMB advised us that it had instructed the Department of Transportation to release the funds previously withheld from obligation under this rescission proposal. B-330045.1, May 24, 2018. OMB also approved a revised apportionment schedule for the affected account. We reviewed these revised schedules and they reflect the release of the previously withheld funds. We verified with officials at the Department of Transportation that they are no longer withholding these amounts from obligation.

## **R18-35A**

**Department of the Treasury  
Departmental Offices  
Capital Magnet Fund, Community Development Financial  
Institutions (020-8524 /X)  
Amount proposed for rescission: \$141,716,839**

The Supplementary Message reduces the amount proposed for rescission from \$151,281,335 to \$141,716,839. Supplementary Message, at 12–13. We noted in our May 22, 2018 letter to you that OMB instructed the Department of the Treasury (Treasury) to withhold \$141,716,839 from obligation; thus, the amount proposed for rescission now matches the amount that OMB instructed Treasury to withhold from obligation. See B-330045, at 13.

As we noted in our May 22, 2018 letter, the proposed rescission appropriation language states that amounts were made available pursuant to sections 1337 and 1339 of the Housing and Economic Recovery Act of 2008. In fact, these amounts were made available by sections 1337 and 1339 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by section 1131 of the Housing and Economic Recovery Act of 2008. See Pub. L. No. 110-289, 122 Stat. 2654, 2711 (July 30, 2008); B-330045, at 13. OMB has advised us that the correct citation is to sections 1337 and 1339 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

**R18-36**

**Environmental Protection Agency  
Environmental Protection Agency  
Environmental Programs and Management (068-0108 2017/2018)  
Amount originally proposed for rescission: \$10,000,000**

The Supplementary Message withdraws this proposed rescission. Supplementary Message, at 14. As we noted in our May 22, 2018 letter, OMB instructed the Environmental Protection Agency (EPA) not to withhold any amounts from obligation. See B-330045, at 13. We have verified with EPA officials that the agency did not withhold any amounts from obligation.

**R18-37A**

**Corporation for National and Community Service  
Corporation for National and Community Service  
National Service Trust (485-8267 /X)  
Amount proposed for rescission: \$150,000,000**

The Supplementary Message corrects the account name and number for the proposed rescission. Supplementary Message, at 15–16. The apportionment schedule that OMB approved on May 8, 2018 contained an account number and account name that are inconsistent with the revisions specified in the Supplementary Message. OMB has not approved a revised apportionment for this account. We verified with officials at the Corporation for National and Community Service that the agency is withholding from obligation amounts consistent with the account name and number specified in the Supplementary Message.