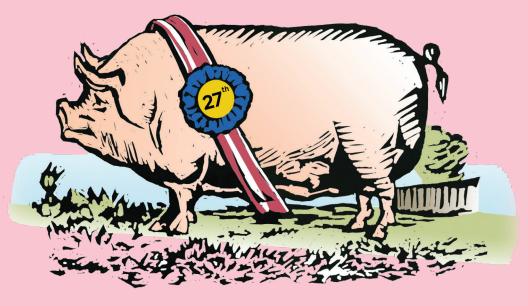
2019 Congressional Pig Book[®] Summary



CITIZENS AGAINST GOVERNMENT WASTE

"The Book Washington Doesn't Want You to Read"

Praise for CAGW and the Pig Book

"I believe that this book should be read by every citizen in America. ... What is being done here by CAGW, in my view, is of the greatest importance. [M]y constituents ... need to have these concrete examples of the way that business is done here in Washington, D.C., unfortunately, and the only way it's going to stop is when it's exposed."

The late Sen. John McCain (R-Ariz.), April 9, 2002

"I much appreciate the good work Citizens Against Government Waste continues to do. You continue to be a beacon in this area." Rep. Mark Walker (R-N.C.), July 19, 2017

"I want to thank Tom ... and all of the CAGW team for all the great work that you do to expose the excesses of Washington. They should be commended for their continuous work highlighting the most ridiculous, the most absurd, and the most wasteful examples of government excess. Their annual *Pig Book* has become a conservative staple each year. It serves an important function. That's detailing just where taxpayer money is going and where it should often not be going."

Rep. Bill Flores (R-Texas), April 13, 2016

"Thanks to Citizens Against Government Waste for all your hard work to hold Washington accountable to our taxpayers." Sen. Joni Ernst (R-Iowa), May 13, 2015

"Tom Schatz deserves as much credit as anyone in America for putting a spotlight on government waste." Sen. Pat Toomey (R-Pa.), May 13, 2015

"Citizens Against Government Waste does a great job of highlighting the waste and the culture of corruption that is rampant in Washington."

Sen. Ted Cruz (R-Texas), May 7, 2014

"I commend Citizens Against Government Waste for trying to shame Congress into fiscal responsibility, although one has to wonder if Congress has any shame. You certainly don't get that impression by flipping through the *Pig Book*."

Then-Rep. Jeff Flake (R-Ariz.), April 14, 2010

"At a time when millions of families are cutting back on spending, this year's *Pig Book* shows that politicians in Washington still refuse to make tough choices and sacrifice their pet projects. I applaud CAGW for their efforts to force elected officials in Washington to deliver the change the American people were promised."

Sen. Tom Coburn (R-Okla.), April 14, 2009

"Those peckerwoods don't know what they're doing. They don't. They're not being realistic." The late "King of Pork" Sen. Robert C. Byrd (D-W.Va.)

ne late King of Pork Sen. Robert C. Byrd (D-W.Va.) National Public Radio, July 19, 2001

"All they are is a bunch of psychopaths."

The late CAGW "Oinker" Sen. Ted Stevens (R-Alaska) Associated Press, December 26, 1999

Citizens Against Government Waste (CAGW) is a private, nonprofit, nonpartisan organization representing more than one million members and supporters nationwide. CAGW's mission is to eliminate waste, mismanagement, and inefficiency at all levels of government.

INTRODUCTION

For the second year in a row, members of Congress have set records for the cost and number of earmarks during the supposed earmark moratorium.

Citizens Against Government Waste's (CAGW) *2019 Congressional Pig Book* exposes 282 earmarks, an increase of 21.6 percent from the 232 in fiscal year (FY) 2018. The cost of earmarks in FY 2019 is \$15.3 billion, an increase of 4.1 percent from the \$14.7 billion in FY 2018. Since FY 1991, CAGW has identified 111,144 earmarks costing \$359.8 billion.

While the increase in the cost and number of earmarks from FY 2018 is significant, it pales in comparison to the growth since FY 2017. The \$15.3 billion in FY 2019 is an increase of 125 percent from the \$6.8 billion in FY 2017, and the 282 earmarks in FY 2019 is an increase of 73 percent from the 163 in FY 2017.

The primary cause of this upsurge in earmarks was the February 8, 2018 passage of the Bipartisan Budget Act (BBA), which obliterated the spending restraints imposed by the 2011 Budget Control Act (BCA) and paved the way for a 13.4 percent increase in spending in FYs 2018 and 2019. The cost and number of earmarks in each these two years therefore went up by far more than the overall increase in spending.

While the BCA was successful in limiting spending, it was anathema to the members of the House and Senate Appropriations Committees. It coincided with the imposition of the earmark moratorium, which was first applied in FY 2012.

Nonetheless, CAGW exposed earmarks in the appropriations bills every year since the moratorium. The number and cost for the first six years were much lower than they had been prior to the moratorium. On average, there were 109 earmarks costing \$3.7 billion annually between FYs 2012 and 2017. But, like everything else in Congress, the restraint only lasted for a short period of time.

Over the past two years, legislators added an average of 257 earmarks costing \$15 billion.



INTRODUCTION (continued)

Of course, the explosion of earmarks over the past two years may not be enough for some members of Congress. Prominent legislators from both parties have called for an end to the earmark moratorium, including Senate Appropriations Committee Chairman Richard Shelby (R-Ala.) and committee members Susan Collins (R-Maine), Dick Durbin (D-Ill.), and Patrick Leahy (D-Vt.); House appropriators Tom Cole (R-Okla.) and Mike Simpson (R-Idaho); and leaders like House Majority Leader Steny Hoyer (D-Md.) and Majority Whip James Clyburn (D-S.C.).

In a February 28, 2019 letter to the House Appropriations Committee, Chairwoman Nita Lowey (D-N.Y) <u>announced</u> a delay in the fight to reinstitute an open system of earmarking, stating, "Unfortunately, there is currently not the necessary bipartisan, bicameral agreement to allow the Appropriations Committee to earmark. ... For that reason, I do not expect fiscal year 2020 House spending bills to include congressionally-directed spending." The relatively widespread support in Congress for a return of earmarks all but guarantees that this issue will be revisited.

In this climate, it is worth recalling why this corrupt, inequitable, and costly practice was subject to the moratorium in the first place. The movement gained traction due to the tireless work of members of Congress such as then-Rep. Jeff Flake (R-Ariz.) and the late Sen. John McCain (R-Ariz.); high-profile boondoggles such as the Bridge to Nowhere; and a decade of scandals that resulted in jail terms for Reps. Randy "Duke" Cunningham (R-Calif.) and Bob Ney (R-Ohio) and lobbyist Jack Abramoff.

Earmarks provide the most benefit to those with spots on prime congressional committees. In the 111th Congress, when the names of members of Congress who obtained earmarks were included in the appropriations bills, the 81 House and Senate appropriators, making up 15 percent of Congress, were responsible for 51 percent of the earmarks and 61 percent of the money.

As Sen. McCain <u>explained</u> regarding those making the case for a return to earmarks, "The problem with all their arguments is: the more powerful you are, the more likely it is you get the earmark in. Therefore, it is a corrupt system."

INTRODUCTION (continued)

Another argument centers on the Article I tax and spending power given to Congress. As Sen. Mike Lee (R-Utah) and Rep. Jeb Hensarling (R-Texas), co-leaders of the Article I Project, <u>wrote</u> in 2017 in regard to earmarks, "Congress needs to assert its power of the purse, but not in this manner." As practiced in the past, Lee and Hensarling continued, "earmarking was not the innocuous exercise of Congress' constitutional spending power; it was the tool lobbyists and leadership used to compel members to vote for bills that their constituents — and sometimes their conscience — opposed." Bringing back earmarks, they wrote, "would make our job harder, make Congress weaker and make federal power more centralized, less accountable and more corrupt."

Those sentiments echo President James Monroe's May 4, 1822 <u>Special</u> <u>Message</u> to Congress regarding its authority to spend money on internal improvements in the U.S.: "It is, however, my opinion that the power should be confined to great national works only, since if it were unlimited it would be liable to abuse and might be productive of evil."

One of the more frequently used arguments in favor of earmarks is that they help pass legislation, which even President Trump <u>mentioned</u> on January 9, 2018. But earmarks cause members to vote for excessively expensive spending bills that cost tens or hundreds of billions of dollars in <u>exchange</u> for a few earmarks worth a few million or sometimes just thousands of dollars.

The one downside of the earmark moratorium has been a reduction in transparency. During FYs 2008 through 2010, the three years prior to the moratorium, members of Congress were required to add their names to projects they were responsible for, and list the specific location of the recipient. This information is no longer available, and earmarks are now found throughout the appropriations bills, increasing the amount of effort necessary for identification, and making it more difficult to eliminate them through floor amendments. Under the old system, earmarks were largely contained in the "Congressionally Directed Spending" section at the end of the legislation.





INTRODUCTION (continued)

The FY 2019 earmarks were again contained in omnibus packages, which present their own challenges regarding how the taxpayers' money is being spent. The first two omnibus bills were passed by the 115th Congress. One bill contained the Energy and Water, Legislative Branch, and Military Construction and Veterans Affairs appropriations bills, and was signed into law by the President on September 21, 2018. The second bill contained appropriations for the Department of Defense and the Departments of Labor, Health and Human Services, and Education, and was signed by the President on September 28, 2018. The final grouping, containing the last seven appropriations bills was passed by the 116th Congress, and signed by the President on February 15, 2019.

In FY 2019, as in each of the years following the establishment of the moratorium, there were fewer earmarks than in the peak years, but far more money was spent on average for each earmark and no detailed description was provided. For instance, legislators added 18 earmarks costing \$1,016,856,000 for the Army Corps of Engineers in the FY 2019 Energy and Water Development and Related Agencies Appropriations Act. These earmarks correspond to 482 earmarks costing \$541,653,000 in FY 2010.

In other words, the average dollar amount for the Corps of Engineers earmarks in FY 2019 was \$56.5 million, while in FY 2010 the average was \$1.1 million. The "Congressionally Directed Spending" section at the end of the FY 2010 bill contained the names of the members of Congress requesting each project and its location, as required by the transparency rules at the time. In stark contrast, the FY 2019 earmarks, which cost \$475.2 million more than the FY 2010 projects, contained no such data and simply created a pool of money to be distributed later without any specific information about the eventual recipients.

Members of Congress will argue that their standards differ from the earmark criteria used in the *Pig Book*, and that the appropriations bills are earmark-free according to their definition. However, the difference in the definition of earmarks between CAGW and Congress has existed since the first *Pig Book* in 1991.

The pork-free claim can also be challenged based on the inclusion of projects that have appeared in past appropriations bills as earmarks. In addition to meeting CAGW's long-standing seven-point criteria, to qualify for the *2019 Pig Book* a project must have appeared in prior years as an earmark. The total number and cost of earmarks are, therefore, quite conservative.

The question for those in Congress who deny the existence of earmarks in the appropriations bills is: Why were these projects previously considered earmarks, but not in FY 2019?

The 27th installment of CAGW's exposé of pork-barrel spending includes \$1.8 billion for 16 extra F-35 Joint Strike Fighter aircraft, which has been plagued with cost overruns, delays, and poor performance; \$960 million for the Littoral Combat Ship, which is ridden with excessive costs and an ill-defined mission; \$16.7 million for the East-West Center, added by Senate Appropriations Committee member Brian Schatz (D-Hawaii), even though there was no budget request; \$13 million for Save America's Treasures grants, which in the past have funded the restoration and operation of local museums, opera houses, and theaters; \$9 million for a fruit fly quarantine program; and, \$863,000 to help eliminate the brown tree snake.

The projects in the 2019 Congressional Pig Book Summary symbolize the most blatant examples of pork. As in previous years, all items in the Congressional Pig Book meet at least one of CAGW's seven criteria, but most satisfy at least two:

- Requested by only one chamber of Congress;
- Not specifically authorized;
- Not competitively awarded;
- Not requested by the President;
- Greatly exceeds the President's budget request or the previous year's funding;
- Not the subject of congressional hearings; or,
- Serves only a local or special interest.





I. AGRICULTURE

Members of Congress have long used the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act to feed at the trough. The number of earmarks increased by 7.7 percent, from 13 in FY 2018 to 14 in FY 2019, and the cost increased by 37.7 percent, from \$108 million in FY 2018 to \$148.7 million in FY 2019.

\$10,000,000 for high energy cost grants within the Rural Utilities Service (RUS). The RUS grew out of the Department of Agriculture's Rural Electrification Administration (REA) of the 1930s. The REA's mission was to promote electrification to farmers and residents in communities where the cost of providing electricity was considered to be too expensive for local utilities. By 1981, 98.7 percent electrification and 95 percent telephone service coverage was achieved. Rather than declaring victory and shutting down the REA, the agency was transformed into the RUS, and expanded into other areas.

RUS high energy cost grants are intended to assist communities whose energy costs exceed 275 percent of the national average by funding the construction, installation, and repair of energy distribution facilities. This may sound like a bright idea, but the RUS Electric Loan Program is intended to achieve the same objective. Former President Obama's FY 2013 version of *Cuts, Consolidations, and Savings* proposed the elimination of the High Energy Cost Program, noting that low-interest electric loans are available through the RUS to residents of the areas served by the High Energy Cost Program, which include Alaska, Hawaii, several communities in certain other states, and U.S. territories.

Since FY 2002, members of Congress have added nine earmarks for high energy cost grants totaling \$143.5 million.

I. AGRICULTURE (continued)

\$9,000,000 for a fruit fly quarantine program. After a 10-year furlough, members of Congress have returned to the trenches in the war against fruit flies. The \$9 million earmarked in FY 2019 represents an 1,819 percent increase from the \$469,000 in FY 2009, the last earmark provided for fruit fly research, eradication, or quarantine. It is also the third-largest earmark ever for this purpose.

Since FY 1991, members of Congress have added 12 earmarks costing \$39.2 million for fruit fly research, eradication, or quarantine. Past legislators who added earmarks include then-Rep. Mazie Hirono (D-Hawaii), Rep. Mike Thompson (D-Calif.), and the late Sens. Daniel Akaka (D-Hawaii) and Daniel Inouye (D-Hawaii).





I. AGRICULTURE (continued)

\$8,000,000 for the Appalachian Regional Commission (ARC) and the Delta Regional Authority (DRA), a 33.3 percent increase from the \$6 million earmarked in FY 2018. The DRA also received an earmark costing \$22.5 million in the Energy and Water Development and Related Agencies Appropriations Act.

Both the ARC and DRA have been targeted by numerous cost-cutting plans. President Trump's FY 2018 *Major Savings and Reforms* recommended eliminating the ARC, the DRA, the Denali Commission, and the Northern Border Regional Commission, saving \$156 million. Each of the Republican Study Committee's (RSC) budgets from <u>FYs 2017</u> through 2020 called for the termination of regional commissions. Former President Obama's FY 2017 version of *Cuts, Consolidations, and Savings* proposed a \$3 million annual cut for the DRA.

The ARC was <u>created</u> by Congress in 1965 to "bring the 13 Appalachian states into the mainstream of the American economy," and covers all of West Virginia along with portions of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. The ARC duplicates dozens of federal, state, and local programs.

Established in 2000, the DRA is intended to provide economic development assistance to support the creation of jobs and improve local conditions for the 10 million people who reside in 252 counties and parishes throughout the Mississippi Delta states of Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

The ARC has received 12 earmarks costing \$395.8 million since FY 1995, and the DRA has received 14 earmarks costing \$104.9 million since FY 2003.

II. COMMERCE, JUSTICE, AND SCIENCE

The cost of earmarks in the Commerce, Justice, Science, and Related Agencies Appropriations Act (CJS) has increased rapidly in recent years. The six earmarks in FY 2019 constitute a 50 percent increase from the four earmarks in FY 2018. The \$780 million earmarked in FY 2019 is an increase of 178.6 percent from the \$280 million in FY 2018, and an astounding 1,200 percent increase from the \$60 million earmarked in FY 2016.

\$303,500,000 for the Community Oriented Policing Services (COPS) program, a 427.8 percent increase over the \$57.5 million earmarked in FY 2018. COPS, which provide grants, training, and technical assistance to local law enforcement, was <u>targeted</u> for a \$96 million reduction by President Trump's FY 2019 *Major Savings and Reforms*. The RSC's budgets from <u>FYs</u> 2018 through 2020 called for the elimination of funding for COPS.

In FY 2008, COPS received 680 earmarks requested by hundreds of members of Congress costing \$245.2 million. In that same year, the Office of Management and Budget's Program Assessment Rating Tool <u>awarded</u> the COPS program with a "results not demonstrated" rating, which "indicates that a program has not been able to develop acceptable performance goals or collect data to determine whether it is performing," noting that the COPS program's "long-term goals have no timelines or specific targets."

This subpar characterization of the program corresponded with a significant decline in earmarks. Prior to FY 2018, the COPS program last received earmarked funding in FY 2009, when then-Rep. Luis Fortuno (R-P.R.) added five projects costing \$500,000.

Earmarks for COPS have returned without any evidence that the problems identified in 2008 have been addressed. The FY 2019 earmark represents the third-largest ever allotted for the program, behind the \$327.7 million in FY 2004 and \$317.6 million in FY 2002. Since FY 1998, legislators have added 2,876 earmarks for COPS, costing taxpayers \$2.2 billion.





II. COMMERCE, JUSTICE, AND SCIENCE (continued)

\$65,000,000 for Pacific coastal salmon recovery, the same amount earmarked in FY 2018, and tied for the largest earmark ever for this purpose. The Pacific Coastal Salmon Recovery Fund (PCSRF) was established by Congress in FY 2000 to "reverse the declines of Pacific salmon and steelhead, supporting conservation efforts in California, Oregon, Washington, Idaho, and Alaska."

For the third consecutive year, President Trump's *Major Savings and Reforms* recommended eliminating funding for the PCSRF. Elimination of the fund would allow the National Oceanic and Atmospheric Administration (NOAA) "to better target remaining resources to core missions and services." The budget also noted that programs like the PCSRF favor state, local, and/or industry interests, and are "not optimally targeted ... favor certain species and geographic areas over others," and do not direct funds to programs that have "the greatest need or potential benefit."

The RSC's FY 2020 budget also proposed eliminating funding for the PCSRF, stating that it was one of several grant programs that "do not provide significant support to the core mission" of NOAA.

Senate Appropriations Committee member Patty Murray (D-Wash.) has routinely pressed for increased funding for the PCSRF. A July 14, 2018 <u>press release</u> from Sen. Murray stated that she successfully restored funding for the program in the FY 2019 CJS bill after President Trump's proposed elimination.

Since FY 2000, members of Congress have added 22 earmarks costing taxpayers \$279.5 million for the PCSRF. From FYs 2008 through 2010, the three years in which members of Congress were required to identify their earmark requests, Sen. Murray added 575 earmarks costing taxpayers \$779.5 million.

III. DEFENSE

The Department of Defense (DOD) has received the most earmarks at the highest cost to taxpayers in each year since FY 1994, a trend that continued in FY 2019. The number of earmarks in the bill rose by 28.1 percent, from 121 in FY 2018 to 155 in FY 2019. The cost of these earmarks increased by 4.4 percent, from \$9 billion in FY 2018 to \$9.4 billion in FY 2019. This constitutes 61.4 percent of the \$15.3 billion in earmarks contained in the 12 appropriations bills for FY 2019.

\$1,784,500,000 for seven earmarks for the F-35 Joint Strike Fighter (JSF), including eight additional planes for the Air Force, six for the Navy, and two for the Marine Corps. The money earmarked for the F-35 represents 11.7 percent of the \$15.3 billion in earmarks for FY 2019.

The acquisition misadventures of the JSF program have been welldocumented, as the program has been plagued by an abundance of persistent issues. In development for nearly 18 years and eight years behind schedule, total acquisition costs now exceed \$428 billion, nearly double the initial estimate of \$233 billion. An April 22, 2019 *Bloomberg* article analyzing the latest DOD Selected Acquisition Report noted that the lifetime operation and maintenance costs of the most expensive weapon system in history will total approximately \$1.2 trillion. This is a 20 percent increase over the \$1 trillion in JSF lifetime operation and maintenance costs as <u>reported</u> in April 2015 by the Government Accountability Office (GAO).

On April 26, 2016, then-Senate Armed Services Committee (SASC) Chairman John McCain (R-Ariz.) <u>called</u> the JSF program "both a scandal and a tragedy with respect to cost, schedule, and performance." In February 2014, then-Under Secretary of Defense for Acquisition, Technology, and Logistics Frank Kendall <u>referred</u> to the purchase of the F-35 as "acquisition malpractice," a description that has yet to be improved upon.

As in each preceding year, 2019 brought more bad news for Lockheed Martin, the F-35 manufacturer. A March 15, 2019 DOD Office of Inspector General (IG) <u>report</u> noted that the F-35 Joint Program Office had failed to track property valued at \$2.1 billion that it had lent or leased to Lockheed Martin. The report stated that this oversight could impact JSF operational readiness.





One crucial consequence of the delays and underperformance of the JSF program is that those aircraft it was meant to replace are aging rapidly, leaving a readiness gap. This factor, as well as the high operating costs of the F-35, led the Air Force on March 18, 2019, to detail a plan to purchase 80 F-15Xs, an upgraded version of the F-15C/D, over the next five years. The DOD's current stock of F-15C/Ds has an average age of 35 years and some planes are nearing the end of their service lives, which makes sense considering the F-15 was meant to have been made redundant by the F-35.

In a March 17, 2019 SASC hearing, Joint Chiefs of Staff Chairman General Joseph Dunford stated that the DOD requested funding for the F-15X because it is "slightly less expensive for procurement than the F-35, but it's more than 50 percent cheaper to operate over time and it has twice as many hours in terms of how long it lasts."

Air Force Secretary Heather Wilson also cited the high operating costs of the F-35 as a factor in purchasing the F-15X. On March 22, 2019, Secretary Wilson <u>stated</u> that Lockheed Martin has not given "enough attention on the sustainment costs of the aircraft and driving them down."

Many of the problems with the F-35 program can be traced to the decision to develop and procure the aircraft simultaneously. Whenever problems have been identified, contractors needed to go back and make changes to aircraft that were already assembled, adding to overall costs. Speaking at the Aspen Security Forum on July 24, 2015, Air Force Secretary Deborah Lee James <u>stated</u>,

"The biggest lesson I have learned from the F-35 is never again should we be flying an aircraft while we're building it."

Unbelievably, the JSF program office, and members of Congress, appear ready to repeat this mistake yet again. A June 5, 2018 GAO report found that major technological deficiencies still exist, despite the F-35 nearing the October 2019 timeframe when it is set to enter full production. According to the GAO, in its "rush to cross the finish line, the program has made some decisions that are likely to affect aircraft performance and reliability and maintainability for years to come." These include the choice to address existing flaws after full production is initiated. The report identified 966 "open deficiencies" in the JSF program, including 111 "must fix" problems.



III. DEFENSE (continued)

Other dilemmas relating to the JSF's utility in future conflict have also cropped up. A May 2018 House Armed Services Committee (HASC) report revealed that the Navy's JSF, the F-35C, may lack sufficient range to function adequately in a future war.

Remarkably, some DOD brass do not appear overly concerned. On December 19, 2016, now-retired Lieutenant General Christopher Bogdan, who at the time headed the F-35 Program Office, <u>claimed</u>, "This program is not out of control." For this stark example of institutional bias, CAGW named Lt. Gen. Bogdan <u>Porker of the Month</u> for January 2017.

Of course, the plethora of JSF deficiencies has not stopped the Pentagon from asking for funding, and members of Congress from supplying it, oftentimes exceeding the request from the DOD. Unfortunately, this trend repeated itself in FY 2019.

Rather than asking pressing questions as to whether the F-35 remains worthy of further commitment, members of Congress provided earmarks for 16 additional aircraft. Upon completion of the development phase, additional funding will be needed to retrofit the 18 planes purchased via earmarks in FY 2019.

Members of Congress are already gearing up to add more earmarks for the F-35 in FY 2020. On April 3, 2019, Rep. Mike Turner (R-Ohio), who co-chairs the House JSF Caucus, announced a <u>proposal</u> to purchase 102 additional aircraft in FY 2020 in part because doing so, "enables the realization of cost savings." In total, 103 House members, nearly onequarter of the chamber, signed onto the JSF Caucus's letter, a distressing signal of fiscal irresponsibility in Congress.

The notion that the DOD should double down on the most expensive weapons platform in history earned Rep. Turner CAGW's <u>Porker of the</u> <u>Month</u> for April 2019.

Since FY 2001, members of Congress have added 24 earmarks for the JSF program, costing \$6.9 billion.



\$1,470,300,000 for 34 earmarks for health and disease research under the Defense Health Program (DHP), which is a 6.1 percent increase in cost over the 31 earmarks worth \$1,386,100,000 in FY 2018, and the most ever earmarked for the program.

A March 14, 2012 *Washington Post* article stated that then-DOD Comptroller Robert Hale proposed decreasing the Pentagon health budget in part by eliminating "one-time congressional adds," which he said totaled \$603.6 million in FY 2012 for the Congressionally Directed Medical Research Program.

Former Sen. Tom Coburn's (R-Okla.) November 2012 "The Department of Everything" <u>report</u> pointed out that the DOD disease earmarks mean that "fewer resources are available for DOD to address those specific health challenges facing members of the armed forces for which no other agencies are focused." According to the report, in 2010 the Pentagon withheld more than \$45 million for overhead related to earmarks, which means those funds were unavailable for national security needs or medical research specifically affecting those serving in the military.

On June 17, 2015, then-SASC Chairman John McCain (R-Ariz.) <u>suggested</u> that funding for medical research should only be included in the DOD bill if the secretary of defense determined it was directly related to the military. He said that "over the past two decades, lawmakers have appropriated nearly \$7.3 billion for medical research that was 'totally unrelated' to the military." In a response that explains why legislators continue to believe that they have the knowledge, privilege, and right to earmark billions of dollars for the DHP, Sen. Dick Durbin (D-Ill.) claimed that none of the secretaries of defense that he had known, despite being "talented individuals," were qualified to decide whether any of this research is related to the military.

Since FY 1996, members of Congress have added 736 earmarks for the DHP, costing taxpayers \$13.3 billion.

III. DEFENSE (continued)

\$960,000,000 for two earmarks for the Littoral Combat Ship (LCS), including \$950 million for two additional ships, and \$10 million for training software. The amount provided in FY 2019 is the largest amount ever earmarked for the vessel, and a 76.4 percent increase from the \$544,075,000 earmarked in FY 2018, the second largest amount ever earmarked for the LCS.

Known to some inside (and outside) the Navy as the "Little Crappy Ship," the LCS has been a disaster since its inception, with problems that include a vaguely defined mission, a lack of firepower and survivability, and design flaws leading to <u>cracks</u> in the hull and <u>corrosion</u>. The number of ships the Navy intends to purchase has been cut in half, from 55 to 28, while the cost per ship has increased by 117.3 percent, from \$220 million to \$478 million.

Delays have also plagued the LCS. A June 2018 GAO <u>report</u> noted that "deliveries of almost all LCS under contract have been delayed by several months, and, in some cases, a year or longer." The average LCS Freedom variant is 16 months behind schedule, while the average Independence variant is delayed by 14 months.

The program has become so troubled that the Pentagon took active measures to undermine the bad press. According to a March 2017 GAO report, the DOD Office of Prepublication and Security Review, which is charged with reviewing information to be released to the public, blocked critical information regarding cost growth in the LCS program.

A 2014 Navy evaluation of potential alternatives to the LCS rejected other ship designs and opted instead to modify the LCS slightly and redesignate it as a frigate, but problems continued. A December 1, 2016 GAO report disagreed with the planned acquisition of the final two old-model ships in FY 2017, citing their obsolete design. The report also criticized the Navy's request for 12 frigates in FY 2018, questioning "whether a ship that costs twice as much yet delivers less capability than planned warrants an additional investment of nearly \$14 billion."





The Navy faces a larger issue related to the routine poor performance of the LCS: the substandard state of warships at the time it receives them from contractors. A March 20, 2019 *Roll Call* article reported that the Navy has made a habit of accepting defective or unfinished ships, then paying additional money to the shipbuilders responsible to fix the existing flaws. While this trend has plagued a number of naval platforms, it is particularly visible in the LCS program. A July 2017 GAO report noted that the two versions of the LCS so far have combined for a total of 2,206 uncorrected deficiencies when ships were delivered, and entered service with a combined 286 such problems.

The systemic problems experienced by the LCS platform will not be rectified until the Navy holds contractors responsible for their shoddy work.

As is so often the case with deeply flawed DOD programs, the justification for additional LCS funding can be boiled down to a desire to protect jobs. In a March 20, 2018 HASC hearing, committee member Bradley Byrne (R-Ala.), whose district hosts the Austal USA shipyard that builds one of the two versions of the LCS, reproached Navy Secretary Richard Spencer for requesting only one LCS in FY 2019. Rep. Byrne stated, "Unfortunately, your acquisition plan for small surface combatants fails to provide for an enduring industrial base. In fact, it will erode the industrial base for those ships," and reducing the program to one annual ship will result in "thousands of shipyard workers" being laid off. Parochial politics should not drive defense strategy.

Since FY 2003, at least eight members of Congress have added 23 earmarks costing \$2.1 billion for the LCS program.

III. DEFENSE (continued)

\$120,000,000 for two earmarks for the National Guard Counter-Drug Program, a 14.3 percent reduction from the \$140 million provided in FY 2018. Formerly earmarked to individual states and congressional districts, the program, which allows for the use of military personnel in domestic drug enforcement operations, is now funded in one bundle as a workaround to the earmark moratorium.

The Drug Enforcement Administration, with a budget of \$2.3 billion, is already responsible for these activities. Since FY 2001, there have been 72 earmarks costing taxpayers \$902.1 million for the National Guard Counter-Drug Program. Members of Congress who have inserted earmarks for this program in the past include Senate Majority Leader Mitch McConnell (R-Ky.), House Appropriations Committee member Harold Rogers (R-Ky.), former Senate Minority Leader Harry Reid (D-Nev.), and the late Sens. Daniel Inouye (D-Hawaii) and Ted Stevens (R-Alaska).

\$65,000,000 for wing replacements for the A-10, an aircraft that is meant to be replaced by the F-35.

Beyond the litany of cost overruns and delays, doubts exist as to whether the JSF will be an improvement over existing aircraft. Many members of Congress, including Sen. Martha McSally (R-Ariz.), who served 26 years in the Air Force and retired as a colonel in 2010, have <u>questioned</u> whether the F-35 will exceed the performance of the (far cheaper) A-10 in providing close-air support (CAS) of troops on the ground.

Air Force leadership appears to have seen enough of the F-35 to determine it is not up to the job of providing CAS. According to a February 2, 2018 *Defense News* article, the service is in the initial stages of exploring a new CAS aircraft to replace the A-10.

Since FY 2000, members of Congress have added 13 earmarks for the A-10 costing \$224.2 million.





\$55,400,000 for four earmarks for the B-52 Stratofortress, consisting of two earmarks totaling \$40.4 million for infrared threat defense and two earmarks totaling \$15 million for mission data recorders. Each of the earmarks was added in conference, and none received a budget request.

Funding via earmarks for the B-52 reappeared for the first time since FY 2010, when members of Congress added two earmarks costing \$8.4 million, requested by Sen. Pat Roberts (R-Kan.), then-Sen. Sam Brownback (R-Kan.), and then-Reps. John Fleming (R-La.), and Todd Tiahrt (R-Kan.). The FY 2019 earmark is a 559.5 percent increase in cost from those provided in FY 2010.

Since FY 1997, members of Congress have added 35 earmarks for the B-52 costing \$551.5 million.

\$38,500,000 for four earmarks funding industrial base analysis and sustainment: \$15 million for "large scale classified electron beam welding," \$10 million to "expand manufacturing capability for cold rolled aluminum," \$10 million for "risk reduction for tungsten defense products," and \$3.5 million for a program increase. The language in the appropriations bill provides no further information regarding the location or purpose for the funding.

While members of Congress will typically create phony justifications for earmarking funding for programs in their districts, perhaps claiming DOD officials mistakenly failed to request funding, this effort is transparent. Some legislator deemed it necessary to supply funding for unneeded work simply to support local industry.

Finite national security spending should never be utilized for a jobs program.

III. DEFENSE (continued)

\$30,000,000 for the Starbase Youth Program, which teaches science, technology, engineering, and math (STEM) to at-risk youth in multiple locations at or near military bases around the country. After a one-year break, legislators equaled the record FY 2017 earmark for Starbase, meaning the last two earmarks for Starbase are tied for the largest ever.

Since FY 2001, members of Congress have added 11 earmarks costing taxpayers \$154 million for Starbase, including an earmark worth \$1.9 million in FY 2010 by Sen. Amy Klobuchar (D-Minn.) and then-Rep. Keith Ellison (D-Minn.).

An April 2018 GAO annual <u>report</u> on program duplication, overlap, and fragmentation found that \$2.9 billion was spent in FY 2016 across 13 agencies for 163 STEM programs. Former President Obama <u>proposed</u> the consolidation or elimination of 31 STEM programs in FY 2015, and a <u>further</u> 20 STEM programs in FY 2016. President Trump's FY 2020 *Major Savings and Reforms* recommended eliminating the National Aeronautics and Space Administration's Office of STEM Engagement, saving \$110 million.





\$28,000,000 for alternative energy research, a 12 percent increase from the \$25 million earmarked in FY 2018. Since FY 2004, Congress has used funding meant for national security to insert 29 earmarks worth \$342.9 million for this purpose, even though the Energy and Water Development Appropriations Act supplies billions annually for alternative energy research.

A March 8, 2018 *Defense News* article detailed the Navy's plans to cancel its fuel-efficient hybrid electric drive in 34 of its 35 destroyers. Canceling the program makes sense, as a 2011 Rand <u>report</u> funded by the Pentagon found that "there is no direct benefit to the Department of Defense or the services from using alternative fuels."

Alternative fuels are notoriously expensive. A July 27, 2015 <u>report</u> found that between FYs 2007 and 2014, the Pentagon "purchased about 2.0 million gallons of alternative fuel for testing purposes, at a cost of about \$58.6 million. Over the same period, it purchased about 32.0 billion gallons of petroleum fuel at a cost of about \$107.2 billion." This means the alternative fuel cost nearly 10 times as much as petroleum.

During a March 13, 2012 SASC hearing, then-Ranking Member John McCain (R-Ariz.) <u>asserted</u> that the Navy's efforts to develop biofuels could turn into another "Solyndra situation," citing the solar panel manufacturer that received a \$535 million loan guarantee through the Department of Energy before filing for bankruptcy in September 2011. According to Sen. McCain, the Navy spent more than \$400 per gallon for approximately 20,000 gallons of algae-based biofuel.

In a February 2011 hearing, then-HASC member Randy Forbes (R-Va.) fired a shot across the Navy's bow, <u>telling</u> then-Navy Secretary Ray Mabus, "You're not the secretary of Energy. You're the secretary of the Navy."

IV. ENERGY AND WATER

The Energy and Water Development and Related Agencies Appropriations Act was one of three appropriations bills in which the cost of earmarks declined in FY 2019. The \$2.3 billion earmarked in FY 2019 represents an 11.5 percent reduction from the \$2.6 billion in FY 2018. Legislators added 32 earmarks in FY 2019, the same as the previous year.

\$1,016,856,000 for 18 earmarks for the Army Corps of Engineers, an 18.4 percent increase in cost from the \$859.2 million in FY 2018. President Trump's FY 2018 *Major Savings and Reforms* recommended reducing the Corps of Engineers' budget by \$976 million. The FY 2020 version of *Major Savings and Reforms* recommended reforming Army Corps of Engineers Inland Waterways Trust Fund financing by establishing an annual fee paid by commercial navigation users, saving \$178 million each year. The report also recommended divesting the federal government of the Washington Aqueduct, which services several Virginia suburbs of Washington, D.C., saving \$123 million over five years.

Legislators have long treated the Army Corps of Engineers as a prime repository of pork, and it is among the most heavily earmarked areas of the federal budget. Since FY 1996, members of Congress have added 6,948 earmarks for the Corps, costing taxpayers \$14.7 billion.





IV. ENERGY AND WATER (continued)

\$12,000,000 for the aquatic plant control program, an increase of 9.1 percent from the \$11 million earmarked in FY 2018, and the largest amount ever earmarked for this program.

Since FY 1994, there have been 25 earmarks worth a total of \$70.1 million for aquatic plant control projects, including three by Sen. Minority Leader Chuck Schumer (D-N.Y.) and one each by Sen. Appropriations Committee Ranking Member Patrick Leahy (D-Vt.) and then-Sen. Jeff Sessions (R-Ala.).

\$7,876,000 for fish passage and fish screens, which is 57.5 percent more than the \$5 million earmarked in FY 2018, and the largest amount ever provided for this purpose.

Since FY 2000, members of Congress have added 19 earmarks costing \$51.5 million for fish passage and fish screens. Past legislators responsible for adding earmarks for this purpose include Sen. Ben Cardin (D-Md.), then-Sen. Barbara Mikulski (D-Md.), House Majority Leader Steny Hoyer (D-Md.), and then-Reps. Norm Dicks (D-Wash.) and Wally Herger (R-Calif.).

V. FINANCIAL SERVICES

The FY 2019 Financial Services and General Government Appropriations Act witnessed the second-largest percentage increase in cost of earmarks of any appropriations bill this year. The \$167.7 million earmarked in FY 2019 represents a 206.6 percent increase from the \$54.7 million in FY 2018. The FY 2019 version of the bill contained three earmarks, a 200 percent increase from FY 2018, which only contained one earmark.

\$106,484,000 for federal anti-drug activities at the Office of National Drug Control Policy (ONDCP), the most ever for the ONDCP, and an 84.9 percent increase from the \$57.6 million earmarked in FY 2017. The FY 2019 earmark is intended for the vaguely defined "other federal drug control programs," and lacks additional specificity.

Since FY 1996, members of Congress have added 20 earmarks for the ONDCP, costing \$433.9 million. Members of Congress who have provided earmarks for the ONDCP include Senate Financial Services and General Government Appropriations Subcommittee member Dick Durbin (D-III.), House Appropriations Committee member Harold Rogers (R-Ky.), and Rep. Rick Larsen (D-Wash.).

President Richard Nixon kicked off the War on Drugs on June 18, 1971, declaring drug abuse to be "public enemy number one." Since then, the U.S. has spent more than \$1 trillion on drug interdiction policies, with little to show for it. In fact, the drug problem has grown exponentially, especially with the rise of opioids. In 2017, 70,237 Americans died of drug overdoses, including 47,600 involving opioids.

Then-ONDCP Director Richard Kerlikowske acknowledged the failure of the War on Drugs in May 2010, <u>stating</u>, "In the grand scheme, it has not been successful. ... Forty years later, the concern about drugs and drug problems is, if anything, magnified, intensified."





V. FINANCIAL SERVICES (continued)

In addition to interdiction, ONDCP has been responsible for ad campaigns, including the Reagan administration's "Just Say No" campaign and the Bush administration's National Youth Anti-Drug Media Campaign targeting teenage marijuana use. On June 7, 2018, the Trump administration <u>launched</u> its own advertising campaign, warning against the dangers of opioids.

This effort is <u>highly unlikely to succeed</u>. A December 2008 <u>assessment</u> found that the ONDCP's anti-marijuana campaign may have had the opposite effect, stating, "more ad exposure predicted less intention to avoid marijuana use ... and weaker antidrug social norms." A March 2015 <u>report</u> on 19 studies examining anti-drug media campaigns found that, while four campaigns provided some benefits, eight did not affect drug use or intended drug use, and two had the opposite result.

Spending more than \$1 trillion, including yet another earmark, along with ineffective ad campaigns, is not the way to win the war on drugs.

V. FINANCIAL SERVICES (continued)

\$55,250,000 for entrepreneurial development programs within the Small Business Administration (SBA).

Once heavily earmarked by members of Congress, the SBA received its first earmark in seven years in FY 2018, when legislators supplied \$54,650,000. In FY 2010, members of Congress added 259 earmarks costing \$58.9 million, including local business development centers, chambers of commerce, and business incubation centers.

Each of those earmarks included the name of the recipient, its location, and the member of Congress responsible. In contrast, the FY 2019 earmark, which distributes a similar amount of money, contains no identifying information and no indication as to where the funding will be directed. As has been noted previously, the lack of transparency regarding this earmark is troubling, given that former members of Congress received prison sentences relating to misuse of earmarks.

A May 3, 2018 Mercatus Center <u>article</u> detailed the case against the SBA: "When a pizza restaurant receives financing backed by the federal government, it means that competing pizza restaurants that didn't receive any subsidies have been disadvantaged. ... The federal government should remain neutral in the economic decision-making process instead of effectively picking winners and losers."

The SBA is also a form of corporate welfare, as it routinely benefits large banks. In 2016, the list of SBA-backed lenders included JPMorgan Chase and Wells Fargo.

The RSC's FY 2020 budget recommended eliminating funding for the SBA's entrepreneurial development program, saving \$2.8 billion over 10 years. Since FY 1995, members of Congress have added 677 earmarks for the SBA, costing \$397.4 million.





VI. HOMELAND SECURITY

Contrary to the larger trend, the cost of earmarks declined slightly in the FY 2019 Department of Homeland Security (DHS) Appropriations Act. The number of earmarks increased by one, from 10 in FY 2018 to 11 in FY 2019, while their cost shrank by 2.7 percent, from \$576.3 million in FY 2018 to \$560.9 million in FY 2019.

\$210,984,000 for the National Predisaster Mitigation Fund (NPMF), the most ever earmarked for this purpose. While the amount provided for the NPMF in FY 2019 is only a slight increase from the \$210,184,000 funded in FY 2018, it is a 363.5 percent increase from the \$45,515,000 in FY 2017. The amount earmarked in FY 2019 is also a 7.6 percent increase over the \$196,089,911 members of Congress earmarked for the NPMF between FY 2008, the first year an earmark was provided, and FY 2017.

President Trump's FY 2020 *Major Savings and Reforms* recommended eliminating funding for the NPMF, stating that it is duplicative of other federal programs, and should be the responsibility of state and local governments. Former President Obama's FY 2017 *Cuts, Consolidations, and Savings* recommended reducing the NPMF by \$46 million.

Since FY 2008, there have been 209 NPMF earmarks requested by more than 100 members of Congress, costing taxpayers \$617.3 million. Past earmarks include \$18,500 for Brooksville, Kentucky (population 600) by then-Rep. Geoff Davis (R-Ky.) in FY 2010, and \$750,000 for Taylorsville, Kentucky (population 1,208) by then-Rep. Ron Lewis (R-Ky.) in FY 2009. There is no indication where the funding in FY 2019 will be spent.

VI. HOMELAND SECURITY (continued)

\$101,000,000 for the National Domestic Preparedness Consortium (NDPC), the same amount as FY 2018.

President Trump's FY 2020 and FY 2018 *Major Savings and Reforms* recommended eliminating funding for the NDPC because it is duplicative of other programs and belongs in the purview of state and local governments. The FY 2020 report also noted the NDPC is "duplicative of FEMA's Emergency Management Institute and Center for Domestic Preparedness."

Since FY 2005, the NDPC has received nine earmarks worth \$682.6 million, including a \$10.1 million earmark in FY 2010 by Senate appropriator Tom Udall (D-N.M.) and then-Sen. Jeff Bingaman (D-N.M.).

\$63,642,000 for the Port Security Grant Program (PSGP), a 21.9 percent increase from the \$52.2 million earmarked in FY 2018.

A June 2014 GAO <u>report</u> found that, despite distributing nearly \$2.9 billion in funding to the PSGP since 2002, the Federal Emergency Management Agency "stated that it is unable – due to resource constraints – to annually measure reduced vulnerability attributed to enhanced PSGPfunded security measures."

President Trump's FY 2020 *Major Savings and Reforms* recommended reducing funding for the PSGP as part of a larger package of budget eliminations and reductions in DHS state and local grants and training. The recommendation would save \$691 million.

Members of Congress have provided eight earmarks totaling \$904.8 million for the PSGP since FY 2005.





VII. INTERIOR

The number of earmarks in the FY 2019 Department of the Interior, Environment, and Related Agencies Appropriations Act increased by 10 percent, from 20 in FY 2018 to 22 in FY 2019. The cost of the earmarks grew by 9.4 percent, from \$336.3 million in FY 2018 to \$367.8 million in FY 2019.

\$19,951,000 for the Heritage Partnership Program (HPP), which supports the 49 National Heritage Areas (NHAs) created by Congress. The FY 2019 earmark is the largest ever for the HPP. Operated through the National Park Service (NPS), the HPP has received 52 earmarks costing \$96.5 million since FY 2001, including funding for projects such as park improvements, sports complexes, health centers, water quality monitoring, bike paths, sustainable agriculture, and agricultural tourism.

Each of former President Obama's budgets from FYs 2011 through 2017 slashed funding for NHAs. The FY 2017 version of *Cuts, Consolidations, and Savings* recommended trimming the budget by 55 percent, from \$20 million to \$9 million. President Trump's FY 2019 and 2020 *Major Savings and Reforms* proposed eliminating the HPP entirely, saving \$20 million. The 2020 report noted there is no "systematic process for designating Heritage Partnership Areas or determining their effectiveness," and that funding for the HPP diverted resources from core NPS responsibilities.

Unfortunately, members of Congress have continuously ignored these proposed budget reductions, earmarking funding for the HPP in six of the last eight years.



VII. INTERIOR (continued)

\$13,836,000 for wild horse and burro management, the most ever earmarked for this purpose. The FY 2019 earmark is a 246 percent increase over the \$4 million provided in FY 2001, the last time an earmark was added for the managing of wild horses and burros. Since FY 1992, legislators have added three earmarks costing \$18 million for wild horse and burro management.

Wild horses couldn't drag members of Congress away from this wasteful spending.

\$13,000,000 for the Save America's Treasures (SAT) grants program, the same amount earmarked in FY 2018. Intended to help preserve historic locations across the country, there have been 267 SAT earmarks costing taxpayers \$81.5 million since FY 2006.

Between FYs 2008 and 2010, when transparency rules required each earmark to contain the name of the legislator who requested it and the recipient's name, city, and state, members of Congress went whole hog for SAT earmarks. In FY 2008, 78 members of Congress added 70 earmarks costing \$13.6 million. In FY 2009, 58 members of Congress added 55 earmarks costing \$10 million. And in FY 2010, 72 members of Congress added 52 earmarks costing \$10.2 million.

During those three years, there were 21 earmarks for theaters costing \$4.5 million; 10 earmarks for museums costing \$2.4 million; and seven earmarks for opera houses costing \$1.5 million. One of those earmarks, worth \$150,000, was obtained by Rep. Rosa DeLauro (D-Conn.) in FY 2010 for the Sterling Opera House in Derby, Connecticut; \$110,000 of that amount had to be <u>returned</u> to the federal government after it was improperly used by the city.

SAT earmarks <u>contributed</u> to the downfall of former House Appropriations Committee member Alan Mollohan (D-W.Va.). In FY 2010, he added \$150,000 for restoration of the Cottrill Opera House through the Vandalia Heritage Foundation, which was operated by a former aide, Laura Kurtz Kuhn. This was one of several earmarks that led to Rep. Mollohan being accused of potential ethics violations, a key issue in his primary election loss in May 2010.



VII. INTERIOR (continued)

While the earmarks in FYs 2008 through 2010 were transparent, there is no indication where the FY 2019 earmark is going. As a result, taxpayers will be unaware should a member of Congress direct the SAT money in FY 2019 to a friend, or anyone else.

Former President Obama called for the elimination of SAT in the FY 2011 <u>version</u> of *Cuts, Consolidations, and Savings*, to allow the NPS to "focus resources on managing national parks and other activities that most closely align with its core mission," since the grants have "not demonstrated how they contribute to nationwide historic preservation goals."

On top of these problems with the SAT program, many facilities could have simply charged more money or found other ways to match the amount of the earmarks.

A prime example is the \$147,660 earmarked by Rep. Peter King (R-N.Y.) in FY 2008 for the plush de Seversky Center Mansion in Old Westbury, New York, which "is an elegant wedding venue ... on Long Island's historic Gold Coast." <u>WeddingWire.com</u> cites a cost of approximately \$41,000 for a ceremony and reception for 150 guests. In other words, four weddings would be more than enough to replace the earmark.

Another such facility is the Roberson Center in Binghamton, New York, located in the district of then-House appropriator Maurice Hinchey (D-N.Y.), which received a \$100,000 earmark in FY 2006. The center raised \$50,000 for its 12th annual Wine and Food Fest in 2017, and charges \$215 per week for summer camp, which means just 23 more attendees per week for the 10 weeks of camp would equal the remaining \$50,000 of the earmark.

VII. INTERIOR (continued)

\$2,750,000 for the National Capital Arts and Cultural Affairs (NCACA) grant program, the same as FY 2018, and tied for the largest earmark ever for this program. The amount provided in both years is a 358.3 percent increase over the \$600,000 earmarked in FY 2017.

The NCACA provides funding for large arts and cultural institutions in Washington, D.C. Recipients in FY 2018 <u>included</u> \$415,365.36 for the Kennedy Center for the Performing Arts, \$122,532 for Ford's Theatre, and \$120,167.76 for The Phillips Collection.

The Kennedy Center <u>sold</u> 1,413,432 tickets during the 2016-2017 season, meaning it could have charged an extra \$0.30 per ticket and eliminated the need for NCACA funds.

According to its <u>website</u>, Ford's Theatre hosts more than 650,000 visitors each year. Therefore, it could simply charge \$0.19 more per ticket to repay the funds obtained from the NCACA.

The Phillips Collection <u>boasted</u> 159,529 visitors in FY 2017. Instead of relying on the NCACA, it should have charged \$0.76 more per admission.

The NCACA is similar to cultural affairs organizations that exist in many U.S. cities and at the state and regional level, and is no more deserving of funding than any other such entity. Since FY 2005, members of Congress have added four earmarks for the NCACA, costing taxpayers \$8.1 million.





VII. INTERIOR (continued)

\$863,000 for a brown tree snake eradication program. The snakes are native to northern Australia, Indonesia, and many of the islands in Melanesia, but have caused damage to the ecosystem of Guam, where they were <u>likely introduced</u> by the U.S. military following World War II.

In comments on the Senate floor on July 22, 2004, Sen. John McCain (R-Ariz.) said of an earmark that found its way into the FY 2005 DOD appropriations bill, "\$1 million for the Brown Tree Snakes. Once again, the brown tree snake has slithered its way into our defense appropriation bill. I'm sure the snakes are a serious problem, but a defense appropriations act is not the appropriate vehicle to address this issue."

Since FY 1993, there have been 18 earmarks costing \$17.7 million to fight brown tree snakes. Members of Congress who have inserted earmarks for this program in the past include Del. Madeleine Bordallo (D-Guam), then-Reps. Neil Abercrombie (D-Hawaii) and Mazie Hirono (D-Hawaii), and the late Sens. Daniel Akaka (D-Hawaii) and Daniel Inouye (D-Hawaii).

VIII. LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

The FY 2019 Labor, Health and Human Services, and Education Appropriations Act was one of only three bills to witness a decline in the cost of earmarks. The number of projects in the bill stayed constant at 23, while the cost decreased by 21.4 percent, from \$1.4 billion in FY 2018 to \$1.1 billion in FY 2019. Despite the decline from FY 2018, the cost of earmarks in FY 2019 is a 1,857.3 percent increase from the \$56.2 million in FY 2017.

\$53,609,000 for Rural Hospital Flexibility Grants (Flex), an 8.1 percent increase from the \$49.6 million earmarked in FY 2018, and a 208 percent increase from the \$17.4 million in FY 2017. The amount earmarked for Flex grants in FY 2019 is the second largest ever for the program, behind the \$64.2 million in FY 2006.

Flex grants were created to "improve access to hospitals and other health services for families that live in rural communities." The last six Obama administration budgets recommended slashing funding for the Flex program, including by \$16 million in FY 2016 and 2017.

Since FY 2006, Flex grants have received eight earmarks totaling \$242 million.





IX. STATE AND FOREIGN OPERATIONS

The number of earmarks in the FY 2019 State and Foreign Operations Appropriations Act increased by 16.7 percent, from six in FY 2018 to seven in FY 2019. The cost of the earmarks increased by 31.6 percent, from \$281 million in FY 2018 to \$369.9 million in FY 2019.

\$112,725,000 for the National Endowment for Democracy (NED), a private, nonprofit foundation that aims to help grow and strengthen democratic institutions around the world. The amount earmarked in FY 2019 is a 69.5 percent increase over the \$66.5 million provided in FY 2018, and the largest earmark ever for the NED.

The NED earmark represents 30.5 percent of the total cost of earmarks contained in this appropriations bill. Since FY 1997, the NED has received nine earmarks worth a total of \$458.4 million.

\$17,000,000 for the Asia Foundation, which is "committed to improving lives across a dynamic and developing Asia." The \$17 million earmarked in FY 2019 is the same as FY 2018. It is a 240 percent increase over the \$5 million in FY 2017 and tied for the largest earmark ever for this program. Since FY 1997, members of Congress have directed 13 earmarks totaling \$98.6 million to the Asia Foundation.

The foundation has a \$96.5 million annual <u>budget</u>, meaning the earmark represents 17.6 percent of its income. The organization had 387 <u>donors</u> between October 1, 2016 and September 30, 2017, composed of 76 corporations and organizations, 36 government agencies, and 251 individuals. The entity should rely solely on these private sources of income.

A February 26, 2018 <u>article</u> by Brett Schaefer of the Heritage Foundation argued for the elimination of funding for the Asia Foundation and the East-West Center, claiming that the organizations "receive appropriated federal funding to support their activities, but do not operate under direct Executive Branch oversight. These organizations should be required to compete for federal funding like other nongovernmental organizations."

All three versions of President Trump's *Major Savings and Reforms* between FYs 2018 and 2020 proposed eliminating funding for the Asia Foundation.



The RSC's budgets from FYs 2017 through 2020 also recommended zeroing out funding.

\$16,745,000 for international fisheries commissions (IFCs), a 34 percent increase from the \$12.5 million earmarked in FY 2018, and the largest amount ever for the IFCs. Made up of various marine conservation organizations and commissions, IFCs have received nine earmarks totaling \$48 million since FY 1997.

Congress should let taxpayers off the hook and tell the IFCs to go fish for money elsewhere.

\$16,700,000 for the East-West Center in Hawaii, the same as FY 2018. It is a 183.1 percent increase over the \$5.9 million earmarked in FY 2017, and tied for the largest earmark ever for the center.

Intended to promote better relations with Pacific and Asian nations, the center was established by Congress in 1960 with no congressional hearings and over the State Department's opposition. For years, the State Department tried to eliminate the center by not requesting funding in the department's annual budget requests.

After Sen. Daniel Inouye (D-Hawaii) passed away in 2013, Senate Appropriations Committee member Brian Schatz (D-Hawaii) took over as the center's champion. In a February 14, 2019 <u>press release</u>, Sen. Schatz claimed credit for securing \$16.7 million in funding, "which President Donald Trump proposed eliminating in his budget request."

The East-West Center is like the North-South Center, which stopped receiving federal funding in 2001. An April 3, 2009 Congressional Research Service report stated, "Congress has not funded the North-South Center since FY 2001, noting that it should be funded by the private sector." Following that logic, the East-West Center should be funded by the private sector as well. It probably would be, except the center is in the state of a Senate appropriator. Since FY 1997, the East-West Center has received 16 earmarks totaling \$160.8 million.

The FYs 2018 through 2020 versions of President Trump's *Major Savings and Reforms* and the RSC's budgets from FYs 2017 through 2020 proposed eliminating funding for the East-West Center.





X. TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT

The number of earmarks in the FY 2019 Transportation, Housing, and Urban Development and Related Agencies Appropriations Act increased by 350 percent, from two in FY 2018 to nine in FY 2019. The cost increased by 401.4 percent, from \$36.2 million in FY 2018 to \$181.5 million in FY 2019. This is the largest percentage cost increase in the 12 FY 2019 appropriations bills.

\$127,475,000 for six earmarks for the Airport and Airways Trust Fund (AATF), through which the Federal Aviation Administration finances infrastructure improvements for airports. These include \$82 million for payments to carriers, and \$12.4 million for advanced materials/structural safety.

The \$82 million is the largest earmark ever provided for the AATF, and the first to be supplied for payments to carriers. The \$12.4 million earmark for advanced materials/structural safety represents a 100 percent increase over the \$6.2 million earmarked for this purpose in FY 2018. Since FY 2005, members of Congress have added 10 earmarks for the AATF costing \$141.8 million. The amount provided in the FY 2019 earmark represents 89.9 percent of this total.

According to a November 21, 2016 Cato Institute <u>report</u>, the AATF has the indirect effect of preventing competition among airlines at airports. Because the AATF allows funding only for maintenance and improvements, airports are limited in the number of gates they can build. As a result, airport managers ration gate access through long-term contracts with established companies, creating a barrier to entry for potential competitors.

In contrast, according to a 2016 Airport Council International report, market-based reforms in European airports have led to "significant volumes of investment in necessary infrastructure, higher service quality levels, and a commercial acumen which allows airport operators to diversify revenue streams and minimize the costs that users have to pay." Because privatized European airports are not forced to compete with inefficient governmentsubsidized airport ownership, healthy competition thrives, and consumers pay lower prices.

X. TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT (continued)

\$30,000,000 for capital and preventive maintenance for the Washington Metropolitan Area Transit Authority (WMATA), a 6,215.8 percent increase from the \$475,000 earmarked in FY 2009, the last time legislators added funding. Since FY 2002, members of Congress have added 11 earmarks costing \$50 million for WMATA. The \$30 million earmark in FY 2019, the largest ever provided, represents 60 percent of that total in earmarks for WMATA.

The FY 2009 earmark was added by Sen. Ben Cardin (D-Md.), then-Sens. John Warner (R-Va.) and Jim Webb (D-Va.), House Majority Leader Steny Hoyer (D-Md.), then-Rep. and now Senate Appropriations Committee member Chris Van Hollen (D-Md.), and then-Reps. Tom Davis (R-Va.) and Jim Moran (D-Va.).

The Metrorail system in the nation's capital has been in crisis for a decade. It has been <u>labeled</u> "the worst in the world," and its financial situation has been <u>characterized</u> as a "death spiral." The beleaguered system has become notorious for train derailments, track fires, disabled trains, long delays, and even fatalities.

WMATA has tried in vain for years to paper over its horrid record of incompetence. On June 22, 2009, eight passengers were killed and more than 80 were injured after two trains on the system's Red Line <u>collided</u>. WMATA then embarked on "MetroForward" in 2012, promising new buses and improved rail service, but the poor performance continued.

On January 12, 2015, smoke inhalation caused by a <u>track fire</u> was blamed for another fatality. Later that year, the Federal Transit Authority (FTA) initiated the <u>unprecedented</u> step of taking over all safety oversight. In 2016, WMATA was forced to shut down large sections of track for months at a time in order to implement fixes. The new taskforce was called "SafeTrack" and went on for an entire year.





X. TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT (continued)

In November 2016, WMATA <u>embarked</u> on yet another PR offensive, unironically dubbed "Back2Good." Flashy ads promised new and improved service with better safety and reliability. However, problems have <u>persisted</u>.

In January 2017, WMATA fired a third of its inspection staff because they were caught <u>falsifying</u> track reports going back years. On March 3, 2018, FTA inspection notes <u>revealed</u> that WMATA track workers were still reclassifying badly defective tracks so they would not have to repair them. WMATA has <u>yet to reinstitute</u> the automatic train operation system it disabled following the deadly crash in 2009.

In the meantime, passengers continue to find alternative modes of transportation. According to the March 2019 <u>Metro Performance Report</u> for the second quarter of FY 2019, WMATA's average weekday ridership declined by 1.5 percent from FY 2018, while average weekend numbers saw a 3.5 percent reduction. The average number of weekday WMATA passengers through December 21, 2018 dropped by 17 percent from 2009, while weekend ridership declined by 31 percent over that timeframe.

The RSC's budgets from FYs 2017 through 2020 proposed eliminating funding for WMATA. The FY 2020 RSC budget stated that the federal government "should not be directly subsidizing the public transit system of one of the most affluent metropolitan areas in the U.S."

X. TRANSPORTATION, HOUSING, AND URBAN DEVELOPMENT (continued)

\$3,000,000 for the Maritime Guaranteed Loan (Title XI) program, a 90 percent decrease from the \$30 million in FY 2018. In 2001, then-Office of Management and Budget Director Mitch Daniels <u>labeled</u> the program as an "unwarranted corporate subsidy." According to an August 8, 2011 *Bloomberg Businessweek* article, the program was suspended in 1987 following 129 loan defaults between FYs 1985 and 1987, and the Bush administration ceased issuing loans in 2005. However, Congress consistently resuscitated the program. In one high-profile failure, two ferries meant for Hawaii sat docked in Norfolk, Virginia, after the operating company defaulted on a \$138 million loan in 2009. The Navy <u>bought</u> the ferries for \$35 million in 2012.

A December 7, 2010 Department of Transportation IG <u>report</u> found that between February 1998 and April 2002, nine borrowers defaulted on approximately \$490 million in Title XI loans. Between August 2008 and January 2010, six additional borrowers defaulted on approximately \$305 million. Loan information was not maintained properly and, therefore, "there is no assurance that information ... need[ed] to effectively oversee the \$2.3 billion Title XI program is readily accessible."

In August 2011, the late Sen. John McCain (R-Ariz.) called the program "an egregious example of pork-barrel spending." The same can be said for the FY 2019 earmark.

The Title XI program did not receive a budget request, meaning 100 percent of the funding was provided with the earmark. While reducing the cost of Title XI is a positive step, legislators should do away with it entirely. Since FY 2006, legislators have added five earmarks totaling \$43.8 million for the program.





More Praise for CAGW and the Pig Book

"You owe it to yourself to get this book at cagw.org. Check your outrage meter when you're done. ... Don't read the Pig Book and weep. Read it, get angry, call your representatives and ask them to give up earmarks for good."

Syndicated Columnist Cal Thomas, July 19, 2017

"The government watchdog group, Citizens Against Government Waste (CAGW) published their annual report on wasteful government spending and found that Congress is not keeping Kosher. ... To showcase the size of the problem, CAGW held a press conference on Wednesday morning featuring lawmakers and Faye, a full-grown pot-bellied pig and mascot for government waste."

Leandra Bernstein, WJLA, July 19, 2017

"The fire of anti-Washington sentiment that's burning through the country this election season has found some new fuel in the latest Congressional Pig Book, an annual tome detailing federal government waste."

Doug McKelway, Fox News, April 13, 2016

"Even though actress Fran Drescher spoke at the National Press Club Tuesday, the real eye turner could be found down the hall at an event held by Citizens Against Government Waste. The organization released its annual Pig Book, detailing some of the biggest 'porkers' - or earmark lovers and their pet projects - in Congress. ... And to add some heft to their presentation, the organization brought out two real pigs - Dudley and Winnie - who did their part to oink about government waste."

Politico, April 15, 2009

"[CAGW] just hosted its well-known Washington awards show, complete with men in pig costumes - and actual pigs. Citizens Against Government Waste has been rolling out the swine awards for nearly 20 years, and ... they've identified \$290 billion in pork spending since 1991."

FOX Business Network, April 14, 2009

"The least popular book in Congress comes out today. The Pig Book, a digest of Washington's wasteful or so-called pork spending."

Chris Cuomo, ABC's "Good Morning America," April 2, 2008

"The Pig Book portrays a Congress with an insatiable appetite for 'pork,' spending your tax dollars on pet projects, often to help members win votes - or campaign contributions." CBS, "The Early Show," April 2, 2008

"The Pig Book. It sounds like a children's story, but it is anything but. We're talking about some very serious cash here. ... Criticism by this group is not one-sided. Democrats and Republicans are being held in the spotlight for their earmarks."

CNN, April 2, 2008

"In one of those sure signs of spring in the nation's capital - right after the cherry blossoms - comes release of the Congressional Pig Book. For 18 years now Citizens Against Government Waste has been contributing to the public debate over congressional spending on earmarks, exposing the way members of Congress spend the taxpayers' money on projects of either dubious merit or projects that simply have not been awarded competitively or been subject to public hearings."

Boston Herald, April 5, 2008

"Citizens Against Government Waste is Washington's leading opponent of pork-barrel spending. Its annual Pig Book, which lists the government's narrow giveaways, is used by news outlets worldwide to ridicule federal earmarks."

This booklet was written by Sean Kennedy, director of research, and Curtis Kalin, director of communications. It was edited by Thomas A. Schatz, president.



Jeff Birnbaum, The Washington Post, February 20, 2007



1100 Connecticut Ave, N.W. Suite 650 Washington, D.C. 20036

1-800-BE-ANGRY

www.cagw.org @GovWaste