



C.L. "BUTCH" OTTER

GOVERNOR

January 30, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Mr. President,

Please accept my hearty congratulations and sincere thanks for the executive actions you already have taken, as well as your developing legislative agenda, to fundamentally change the direction of our national government. As a former member of Congress and now Governor of Idaho, I am particularly grateful for the opportunity your administration offers for improving the federal government's relationship with the states.

As you know, the citizens of Idaho strongly supported your candidacy. Now they are hopeful, as I am optimistic, that your leadership and commitment to meaningful change will restore a reliance on the principles of federalism that have contributed so much to America's greatness.

I write today to provide you with some insight into what the leaders of Idaho's State government feel would be among the most important changes your administration could make toward fulfilling that goal. They are nonpartisan, commonsense recommendations that I believe mirror your approach to governing.

My leadership team provided a plethora of specific ideas for adjusting how the federal government does business with states like Idaho. Aside from opposing unfunded mandates on states, Idaho's suggestions reflect the frustrations we have experienced throughout my ten years as Governor in our interactions with federal partners. They fall into three categories: **collaboration, flexibility, and consistency**.

First, the Idaho consensus is that real **collaboration** with states on programs and initiatives that require federal consultation, approval or funding should be written into the DNA of every part of our national government. It must be more than the lip service and top-down bureaucratic exercises that too often characterize what is supposed to be a true partnership. That is particularly the case with the agencies that serve as landlords over the nearly two-thirds of Idaho that is owned by the federal government – the Bureau of Land Management and the Forest Service – as well as agencies responsible for regulating the management and use of Idaho's natural resources, including the Environmental Protection Agency (EPA) and the U.S. Fish and Wildlife Service.

My Soil and Water Conservation Commission specifically recommended that an executive order be issued "defining coordination as it exists in the Federal Land Use and Management Plan and in the National Forest Management Act 1982 Planning Rule and require the adoption of that definition by the USDA and Interior agencies. This would encourage the harmonization of federal, state, and local policy and planning efforts within all USDA and Interior agencies."

The impacts of federal actions that undermine or ignore state realities on the ground are particularly challenging in those circumstances where federal and state lands are intermingled, impeding effective management efforts by either level of government. John Chatburn of my Office of Energy and Mineral Resources recommends that, “To improve management of both federal and state lands, the administration should work with Congress to simplify and expedite the federal-state land exchange, sale and conveyance processes.”

The Idaho State Department of Agriculture (ISDA) similarly seeks a more collaborative relationship with the EPA in order to ease the burden of federal regulators on Idaho agribusiness. For example, the EPA has proposed significant, costly and frankly unnecessary changes to certification and training (C&T) regulations for the use of pesticides. “EPA has not done an adequate job of engaging the states in the development of the proposed regulation,” ISDA Deputy Director Brian Oakey wrote. “The C&T rule should be withdrawn until the EPA can engage the states in a meaningful and productive way to address any legitimate certification or training deficiencies that may exist.”

Beyond resource-related issues, an increased emphasis on collaboration also extends to such human services as Medicaid. For instance, Idaho Department of Health and Welfare Director Dick Armstrong wants to see your administration work collaboratively with state representatives from the National Governors Association and the National Association of Medicaid Directors on how to most effectively and seamlessly replace the Affordable Care Act in a way that avoids unintended consequences while meeting the needs of beneficiaries, taxpayers, and state budgets and economies.

One of the Idaho Department of Finance’s responsibilities is protecting against securities fraud that hits older citizens especially hard. But its work sometimes is frustrated by federal regulations that do not take local measures or conditions into account. Finance Director Gavin Gee wrote, “Federal agencies should be required or encouraged to cooperate with state authorities in detecting and preventing elder financial exploitation. Any new legislation or regulation in this area must be a collaborative effort between federal and state authorities.”

The time-consuming, human resources-intensive area of compliance with the moving target of federal regulations is central to Idaho’s desire for more **flexibility** in the national government’s dealing with states. Nowhere is that more apparent than in the efforts of sparsely populated rural states to ensure compliance with the complexity of Dodd-Frank and other financial services rules imposed in response to the Great Recession.

“It is imperative that the federal government reduce the crushing bank regulatory burden and bifurcate regulations in order to ‘right size’ them for community banks and large banks,” Director Gee wrote. What’s more, “The preemption of state regulation of financial institutions must cease. The states’ important role in consumer protection and fostering financial innovation is being threatened.”

From determining how best to allocate public health funding to our communities to enabling states to determine “unhealthy food choices” for which federal food subsidies should not be used, and from letting states decide when it is appropriate to test unemployment insurance applicants for the unlawful use of controlled substances to waiving federal Davis-Bacon prevailing wage requirements on projects funded by Community Development Block Grants, reining in federal regulatory overreach is front and center on the minds of Idaho’s state leaders.

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“There is also more that can be done to remedy artificial, and we believe arbitrary, restrictions that impede our delivery of care and benefits to veterans,” said David Brasuell, administrator of the Idaho Division of Veterans Services. “While many (U.S. Department of Veterans Affairs) regulations are necessary to enhance the highest quality of care, increased enforcement actions and laborious reporting requirements hinder quality care efforts by redirecting current resources away from patient-centered care.”

Finally, it should be noted that consistency in government is neither foolish nor what Ralph Waldo Emerson called “the hobgoblin of little minds.” In fact, consistency in the directives, requirements and oversight efforts employed by the federal government is essential to coherent governing at the state and local levels. Without it, Idaho and other states are left to reinvent the wheel every time new rules are imposed, revised or even waived – often one state at a time, with each in its turn being required to jump through the same set of hoops as the last.

That is, unless the hoops themselves are moved, narrowed or otherwise changed.

A prime example of how inconsistency can stymie government efficiency and effectiveness is the existence of 50 different state-level information systems operating under the auspices of the USDA’s Supplemental Nutrition Assistance Program (SNAP) and the Medicaid Management Information System. “The costs to taxpayers for each system are unnecessary and wasteful,” Health and Welfare Director Armstrong wrote. “A universal system would maximize functionality per capita while maintaining fiscal responsibility nationally.”

Director Armstrong went further, calling on the new administration to create “consistent policies and guidelines across all federal HHS agencies, using state service delivery standards to streamline administration, minimize costs, and improve customer outcomes.”

“Health and Human Services agencies have different policies, administrative rules, processes, and interpretations that must be incorporated into the design of states’ service delivery processes,” he wrote. “These often-conflicting and inconsistent policies create an administrative quagmire that is expensive, confusing, and counterproductive to delivery of needed services to eligible and needy families in a cost-effective manner.”

Among the most pressing concerns facing Idaho, both from the criminal and public health standpoints, is the utter lack of consistency displayed by the Obama administration in enforcement of federal marijuana laws. In that respect, Idaho is a virtual island of compliance, and we are paying the price.

“It is vital that the federal government understand that significant harms are being foisted upon states that continue to adhere to federal drug laws. Our youth, taxpayers, law enforcement officers, jails, and healthcare systems are all significantly impacted by the legalization of marijuana in neighboring states,” wrote Elisha Figueroa, administrator of the Idaho Office of Drug Policy. “We do not allow states to violate environmental laws just because they voted to do so, primarily because it impacts those around them. Why then are states being allowed to violate drug laws that have enormous negative consequences for neighboring states?”

With all that in mind, and considering the clearly expressed direction of your leadership on this issue, I strongly encourage you to appoint an Office of State Liaison within the White House at your earliest convenience. Such an office could provide invaluable assistance toward improving the communication, the collaboration, and ultimately the working relationship between your Executive Branch and state governors. What’s more, it would serve as an unmistakable embodiment of respect for the principles of federalism that distinguish our republic.

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Mr. President, I have every confidence in your commitment to changing the culture in Washington, D.C., away from one of celebrating entitlement and asserting more and more control over the lives of the American people. I hope this overview from Idaho provides you with some fodder for advancing our shared goals and improving the public's trust and sense of ownership in their government. I appreciate your time and consideration of these points, and I look forward to working with you as partners for American progress.

As Always – Idaho, “Esto Perpetua”

A handwritten signature in black ink, appearing to read "C.L. Butch Otter". The signature is fluid and cursive, with the first name "C.L." and the last name "Otter" being more legible than the middle name "Butch".

CLO/mw

C.L. “Butch” Otter
Governor of Idaho

Cc: U.S. Senator Mike Crapo
U.S. Senator James Risch
Representative Mike Simpson
Representative Raul Labrador