



# Chairman Tom Graves

*Subcommittee on Financial Services and General Government  
House Committee on Appropriations*

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## **FY19 Budget Hearing for the Department of Treasury**

**March 6, 2018**

### **Opening Statement As Prepared**

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I would like to welcome the Secretary of the Treasury Department, Steven Mnuchin, to our hearing today.

Today, we look forward to discussing the Department's budget request, as well as some of the economic assumptions and policies included in the President's overall request for fiscal year 2019.

But before we get into the details of the budget request, I would like to take a quick look back at the last year. 2017 was a year of accomplishments, and that couldn't have happened without the support and leadership of the President and his administration, including Secretary Mnuchin.

After years of high unemployment and stagnant wages, hard-working Americans finally saw the economy start booming in 2017. Unemployment is now at a 17-year low. Almost two million new jobs were created in the last 13 months. Wages are growing at nearly 3 percent, according to the Department of Labor, the fastest growth in almost a decade. Manufacturing expanded in January at nearly the fastest pace since 2004. And small business optimism is at its highest level since Ronald Reagan was president.

This didn't happen by accident.

It happened because Congress and the administration worked together to reform the tax code for the first time in more than three decades. It happened because we slashed nearly 1,500 unnecessary rules and regulations. It happened because we freed businesses – big and small – to grow and thrive.

Secretary Mnuchin, I know you played an important part in this success. So- I want to say "thank you" for your hard work and dedication.

Now, on to the budget request.

Next year's request for the IRS is \$11.5 billion, which includes a program integrity cap adjustment of \$362 million. In addition to this request, the IRS is seeking another \$397 million to implement the *Tax Cuts & Jobs Act* over fiscal years 2018 and 2019.

The request includes \$159 million for the Office of Terrorism and Financial Intelligence, a \$36 million increase from last year. This office has the dual purpose of safeguarding our financial system against illicit use and protecting our citizens from national security threats. And today, there is no problem more urgent than the serious threat posed by North Korea.

Treasury's budget is proposing \$15 million in 2019 to isolate the Kim Jong regime, in addition to the supplemental request of \$15.5 million for 2018. This funding will allow Treasury to hire additional intelligence analysts and maximize economic pressure against North Korea and its enablers.

The Secretary's budget also proposes \$17.5 million to support a Terrorism Financing Targeting Center in Saudi Arabia, which, in collaboration with the six Gulf Cooperation Council Countries, counters the financing of terrorism. This funding is in addition to the \$9.5 million requested in this year's supplemental. I'm curious to learn how Treasury plans to use the funding to carry out this initiative.

Another important topic to me – and this administration – is cybersecurity. The budget includes \$25 million for Treasury-wide cybersecurity investments. This account was established in our most recent government funding bill to strengthen Treasury's cybersecurity posture and mitigate threats to U.S. financial infrastructure.

Cybersecurity is of critical importance to our national security. I hope to hear from you today how Treasury is using the resources that were recently provided to protect against and respond quickly to cyber threats.

Before wrapping up my opening remarks, I want to take a moment to commend the Senate Banking Committee Chairman Mike Crapo for his bipartisan efforts to move the Economic Growth, Regulatory Relief, and Consumer Protection Act – a major regulatory reform bill. As you know, our Financial Services Appropriations bill last year includes many similar provisions. I am curious to hear your thoughts on the Senate package and its potential for final passage. And should we include them in the 2018 omnibus?

Secretary Mnuchin, thank you again, for taking the time to meet with us today. I look forward to hearing your testimony. Let me turn now to Ranking Member Quigley for his comments.

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