



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 22, 2009
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

**H.R. 3288 — Transportation, Housing and Urban Development, and Related Agencies
Appropriations Act, 2010**
(Rep. Obey, D-Wisconsin)

The Administration strongly supports House passage of H.R. 3288, making appropriations for Transportation, Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2010.

The President believes that America's economic success in the 21st Century depends significantly on a modernized infrastructure, from roads and highways to high-speed rail, inland waterways, and housing. These infrastructure investments will help build a new foundation for long-term economic growth to benefit the American people for years to come.

The President requested, and the Committee approved, significant increases in 21st Century transportation with new resources for the Nation's road, rail, and air transportation systems. The legislation takes an important step toward modernizing what has become an outdated and over-stressed transportation network. Importantly, the legislation not only invests in new systems, but also works to improve the safety of those systems already in place. Increased transit and air travel safety dollars will result in fewer accidents and more lives saved.

Additionally, the funding included in the legislation for housing and community development programs can serve as important anchors to locally driven innovations. With a strengthened safety net for Americans facing significant hardship in these challenging economic times together with funds dedicated to revitalizing local communities and expanding opportunities, this legislation will help the Nation's urban and rural areas alike. These efforts are complimentary to the Administration's desire to work with the Congress to launch the Housing Trust Fund, which would expand the rental housing supply available for very low-income families.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Administration Priorities

National Infrastructure Bank and High Speed Rail. The Administration appreciates the support for up to \$2 billion for a National Infrastructure Bank, an important Administration priority, and looks forward to working with the Congress to authorize the Bank as soon as possible. Once established, the Bank will play a key role in supporting regionally and nationally significant, high-value, multi-modal projects selected on the basis of merit. The Administration also thanks the Committee for capital grants for high-speed and intercity passenger rail corridor expansion.

Combat Mortgage Fraud. The Administration appreciates that the Committee fully funds the Department of Housing and Urban Development's Combat Mortgage Fraud initiative, which will support a strong response to abusive practices that have taken advantage of home loan borrowers and contributed to financial market turmoil.

Community Development Block Grant (CDBG). While the Administration appreciates the Committee's support for the President's pledge to fully fund CDBG, the Administration strongly urges the Congress to consider reforms to the program, particularly modernizing the outdated funding formula to target funds to economically distressed communities more effectively, resulting in increased accountability.

Choice Neighborhoods. The Administration urges the Congress to provide \$250 million requested for Choice Neighborhoods, which would support the Administration's broader effort to fight concentrated poverty and revitalize neighborhoods.

Efficiencies and Cost-Saving Proposals. The Administration urges the Congress to support the President's initiatives to terminate or reduce programs that have outlived their usefulness, fund narrowly focused activities, or duplicate existing programs, including the Rail Line Relocation Program for which funds are not distributed through a need- or merit-based process and an alternative program achieves the same goal.

Department of Transportation (DOT)

The Administration is pleased that the Committee supports the President's request for DOT. The Administration appreciates the provision of capital funding for the Washington Metropolitan Area Transit Authority (WMATA), which will help WMATA to address safety shortfalls within its rail system. The Administration also appreciates the Committee's support for the funding provided to the Federal Aviation Administration's Next Generation Air Transportation System.

Department of Housing and Urban Development (HUD)

The Administration appreciates the Committee's support for Tenant-Based Rental Assistance, Project-Based Rental Assistance, and Public Housing programs. This funding is especially important in light of the current economic environment.

The Administration urges the Congress to provide the full \$100 million request for the Energy Innovation Fund to support local initiatives that remove barriers to efficiency and leverage private sector funds. The Fund will allow for the identification of the most effective practices for replication across the Nation, increasing the dividends of energy efficiency investments in housing.

The Administration appreciates the Committee's support for HUD's new Transformation Initiative, which sets aside funds for HUD to become a more innovative and accountable agency. However, the Administration urges the Congress to provide the full \$434 million in transfer authority from HUD programs. These funds would support efforts to significantly improve program performance through demonstrations, evaluation, technical assistance, and more effective information technology.

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