



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

October 17, 2011
(Senate)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2112 — Agriculture, Rural Development, Food and Drug Administration, and
Related Agencies Appropriations Act, 2012
(Sen. Inouye, D-HI)

The Administration strongly supports Senate passage of H.R. 2112, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies; programs for the fiscal year ending September 30, 2012, and for other purposes; the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2012; and the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2012.

The Administration is committed to living within its means so that we can make investments to spur economic growth and job creation for years to come. This bill invests in areas important to our Nation's ability to grow and compete in the global economy while broadly sharing sacrifices to reduce the deficit.

Division 1 – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The Administration urges the Senate to ensure that rural America has the resources necessary to help our Nation thrive and compete in the future. A strong agricultural sector requires investment in innovation and clean energy technologies, access to health care and healthy food, and support for job creating measures like increased agricultural exports.

U.S. Department of Agriculture (USDA)

Food and Nutrition Service. The Administration strongly supports funding for nutrition programs that are critical to the health of nutritionally at-risk women, infants, children, and elderly adults. The funding provided for the Special Supplemental Nutrition Program for Women, Infants, and Children could constrain some of the important services and activities currently supported by the program, and might require the Administration to use contingency funds to cover regular program costs. The Administration encourages the Senate to fund the contingency fund for the Supplemental Nutrition Assistance Program (SNAP) at the President's FY 2011 Budget level of \$5 billion. The SNAP contingency fund typically holds in reserve about three to four weeks' worth of benefits to cover unforeseen events, such as disasters and fluctuations in food prices.

Food Safety and Inspection Service. The Administration appreciates the funding provided for USDA's meat and poultry inspection activities, which will maintain current agency operations and continue to ensure the safety of the Nation's meat and poultry supply.

Combating Food Deserts. The Administration urges the Senate to provide funding for the Healthy Food Financing Initiative (HFFI), which is a key component of the Administration's

efforts to combat childhood obesity. HFFI will expand USDA's activities to bring healthy foods to low-income Americans and increase the availability of affordable, healthy foods in underserved urban and rural communities by bringing grocery stores and other fresh food retailers to "food desert" communities where there is little or no access to healthy food.

International Food Assistance. The Administration supports the Senate bill's level of over \$1.56 billion for Food for Peace Title II international food aid. This level allows the Administration to respond to major emergencies, including the current famine in the Horn of Africa, which highlights the critical importance of these funds.

Program Terminations and Reductions. The Administration urges the Senate to accept additional savings from terminations and reductions proposed in the President's Budget for USDA, including termination of Rural Housing Services small loan and grant programs and reductions in single family housing direct loans and housing repair grants. Adopting these terminations and reductions will free up scarce resources for higher-priority needs and more effective programs such as food safety.

Department of Health and Human Services (HHS)

Food and Drug Administration (FDA). The Administration strongly supports robust funding for FDA to continue implementation of the Food Safety Modernization Act, which includes establishing science-based prevention standards, conducting increased and more effective inspections, improving oversight of imports, and investing in the development of medical products, including countermeasures for biodefense threats. The Administration requested a \$287 million increase in budget authority for FDA above FY 2011 enacted levels, and the Senate bill provides a \$49 million increase. The Administration strongly urges the Senate to provide no less than the \$2.5 billion currently in the Senate bill. In FY 2012, FDA must have sufficient resources to achieve its essential mission of protecting the public's health, assuring that food and medical products are safe, and improving Americans' access to safe and less costly generic drugs and biologics.

Division 2 – Commerce, Justice, Science, and Related Agencies

The Administration urges the Senate to ensure that the Congress is adequately investing in innovation and job creation, community safety, and cutting-edge science and technology, which are critical to our economic growth, security, and global competitiveness. Research and education grants, space technology, and satellite coverage are all central to this achieving these goals.

Department of Commerce (DOC)

Joint Polar Satellite System (JPSS). The Administration appreciates the significant increase provided by the Senate, but notes that the bill falls short of the funding needed to maintain the current estimated launch date in FY 2017. The Administration encourages the Senate to provide funding for JPSS at no less than the current Senate level; without sufficient funding for JPSS the Nation faces a significant risk of a gap in satellite coverage that will result in degraded weather forecasts and, in turn, potential negative impacts on public safety and weather-sensitive sectors such as agriculture and transportation.

Census Bureau. The Administration urges the Senate to provide no less than \$690 million for Periodic Censuses and Programs. This funding is needed to initiate the 2012 Economic Census,

which is a critical program that provides benchmarks for Gross Domestic Product estimates.

National Institute of Standards and Technology (NIST). The Administration urges the Senate to provide strong funding for NIST's intramural research programs, to support current innovation activities and cybersecurity initiatives. NIST programs provide vital contributions to advancing the Nation's innovation and competitiveness, funding crucial research in areas such as advanced manufacturing and nanotechnology. The Administration also urges the Senate to support the Manufacturing Extension Partnership and AMTech programs to help revitalize America's manufacturing sector.

International Trade Administration (ITA). The Administration urges the Senate to provide \$451 million to adequately fund ITA. The export promotion and trade enforcement activities supported by ITA's components of the National Export Initiative will help American businesses generate sales abroad and create jobs.

National Oceanic and Atmospheric Administration (NOAA) Climate Service. The Administration appreciates the Senate bill's support for a Climate Service line office, and urges the Senate to approve this realignment of existing NOAA programs. A Climate Service will improve the performance of roughly \$340 million in related programs that are currently spread across three NOAA line offices. The Administration also supports the Senate bill's overall funding level for NOAA's research efforts.

Department of Justice (DOJ)

State and Local Assistance. The Administration urges the Senate to provide the FY 2011 enacted level of \$245 million to the Community Oriented Policing Services' Hiring Grants Program to hire and retain State and local police officers. The funding level in the Senate bill would only support about 1,400 jobs whereas funding at the FY 2011 enacted level would support 1,900 jobs. The Administration also urges the Senate to restore funding for Second Chance Act programs to aid the successful reentry of returning prisoners. In addition, the Administration supports adequate funding for the Byrne Justice Assistance Grants program (including Criminal Justice Innovation) to support law enforcement.

Federal Prison System. The Administration supports the level of funding in the Senate bill for the Federal Prison System, which will provide sufficient resources to keep pace with the continued growth in the inmate population and inflationary increases including inmate medical and food costs. Additionally, the Bureau of Prisons would be able to staff and begin operating several prisons that have been or will be fully constructed.

General Legal Activities and Administrative Review and Appeals (GLA and ARA). The Administration urges the Senate to provide \$899 million for GLA, \$53 million above the Committee bill, and \$318 million for ARA, \$24 million above the Committee bill, to ensure full-year funding for immigration judges and the new attorneys recently added for high-priority work, such as the Deepwater Horizon oil spill and civil rights enforcement. Much of the Executive Office for Immigration Review's (EOIR) workload is tied directly to Department of Homeland Security enforcement efforts, with EOIR caseload reaching over 400,000 in FY 2011 and continuing to grow. GLA's civil rights work includes important initiatives such as prosecuting hate crimes and enforcing the voting rights of members of the Armed Services.

Program Terminations and Reductions. The Administration urges the Senate to adopt the

President's proposed terminations and reductions, including the \$137 million reduction to the State Criminal Alien Assistance Program, which would free up scarce resources that could be redirected toward higher priority needs and programs that have a greater potential for results.

Asset Forfeiture Fund. The Administration encourages the Senate to rescind a total of \$675 million from the Asset Forfeiture Fund, which is \$55 million more than the rescission in the Committee bill. Recent deposits into the Fund resulting from fraud and other investigations justify the higher rescission amount.

Office of Science and Technology Policy (OSTP)

The Administration urges the Senate to maintain the current bill level of \$6 million. This funding will enable OSTP to continue leading interagency efforts to develop and implement sound science and technology policies.

National Aeronautics and Space Administration (NASA)

Space Launch System and Multi-purpose Crew Vehicle. The Administration appreciates the Senate bill's support for the Space Launch System and Multi-purpose Crew Vehicle programs. These systems are key elements of America's future human space exploration efforts.

Commercial Crew Program. The Administration encourages the Senate to provide sufficient funding for the Commercial Crew Program to avoid delaying the development of U.S. crew transport capabilities and lengthening the period during which the United States will need to pay Russia to transport crew to the International Space Station.

James Webb Space Telescope. The Administration appreciates the Senate's support for this project, which will advance our understanding of the universe and was given high priority by the astronomy and astrophysics community.

Space Technology. The Administration urges the Senate to provide NASA the level of funding included in the Senate Committee bill. NASA's ability to create an effective space technology development pipeline is key to making America's future missions to deep space affordable and achievable and to strengthening the Nation's space industry and capabilities.

National Science Foundation (NSF)

The Administration supports strong funding for NSF, and appreciates the flexibility provided in the bill to transfer funding between accounts. NSF's grants are critical to America's scientific leadership and its competitiveness.

United States Trade Representatives (USTR)

The Administration urges the Senate to provide \$51.3 million for USTR. The funding in the Senate bill would undermine USTR's ability to pursue trade enforcement cases and participate in trade negotiations like the Trans Pacific Partnership. USTR is critical to our goal of increasing American exports.

Legal Services Corporation (LSC)

The Administration strongly supports the Senate bill's level of \$396 million and the language in the bill to lift restrictions on the use of non-LSC funds by LSC grantees.

Equal Employment Opportunity Commission (EEOC)

The Administration supports maintaining funding for the EEOC to help the agency fulfill its critical mission of enforcing antidiscrimination laws. Funding reductions could lead to growth in EEOC's private sector charge backlog, leaving those who have suffered discrimination waiting longer to seek legal relief.

Bill-Wide Provision

Fighting Fraud, Waste, and Abuse. While section 527 of the bill aims to serve the important goal of combatting waste, fraud, and abuse, as written the provision would deny agencies the ability to make informed decisions about contracts, grants, and other Federal assistance. It thus risks causing unintended consequences that could translate into unwarranted penalties on businesses and unjustified costs on taxpayers.

Constitutional Concerns

Several provisions of the bill raise constitutional concerns. Sections 113(a), 510, 522, and 528 of the bill would effectively direct the manner or substance of the Executive's international negotiations, where the President's constitutional authority is exclusive. The Administration looks forward to working with the Senate to address these concerns. In addition, the Administration objects to and has constitutional concerns about section 532 of the bill. This provision's restrictions on the transfer of detainees to the United States and to the custody or effective control of foreign countries or entities in the context of an ongoing armed conflict may interfere with the Executive Branch's ability to determine the appropriate disposition of detainees and to make important foreign policy and national security determinations regarding whether and under what circumstances such transfers should occur. Such restrictions or interferences would, in certain circumstances, violate constitutional separation of powers principles.

Division 3 – Transportation, Housing and Urban Development, and Related Agencies

The Administration urges the Senate to provide the resources necessary to continue to invest in infrastructure, housing and community development programs that are critical to the Nation's economic recovery and long-term competitiveness.

Department of Transportation

Surface Transportation Obligation Limitations. The Administration supports the Senate's approach of funding highway, highway safety, and mass transit obligation limitations at baseline levels. The Administration is committed to working with the Congress to pass: 1) the American Jobs Act, which includes \$50 billion in transportation investments to improve the Nation's transportation system and create and maintain jobs; 2) a long-term reauthorization bill that continues those critical investments and ensures Highway Trust Fund solvency; and 3) Infrastructure Bank legislation, which would leverage private and public capital to invest in a broad range of infrastructure projects of national and regional significance.

Federal Aviation Administration (FAA). The Administration supports funding for FAA's

operations and urges the Senate to fully fund FAA's collectively-bargained personnel expenses. The Administration also urges the Senate to provide \$950 million for NextGen, FAA's air traffic modernization effort, so FAA can continue to make progress in transforming the radar based air traffic control system to a more efficient satellite based system.

Amtrak. The Administration strongly supports the Senate bill's level for Amtrak, which carried more passengers in fiscal year 2011 than any year since its creation in 1971. Among those lines seeing ridership increases are the State-supported routes; fifteen States have partnered with Amtrak to provide improved passenger rail service, resulting in 150 daily trains that carry about one-third of Amtrak's total ridership. The Senate proposed levels will ensure these improvements are sustained.

High Speed Rail. The Administration believes that the development of high speed rail corridors in the Nation's most densely populated regions, along with improved existing intercity rail service, is critical to having a balanced, well-functioning national transportation network. The Administration appreciates that the bill includes \$100 million for high speed rail projects, and supports funding to continue the progress made over the past three years to improve the Nation's intercity passenger rail system.

TIGER Grants. The Administration supports the Senate bill's level of \$550 million for TIGER grants, which are awarded through a competitive selection process to innovative, multi-modal transportation projects, often with substantial State and local co-investment.

Environmental Waivers. The Administration strongly opposes section 128 of the bill that includes exemptions from seven specific statutes, an Executive Order, and any law intended to ensure adequate protection of wetlands. The regulations and requirements cited have been in place for decades and there are processes in place that allow for expedited action in the event of natural disasters.

Department of Housing and Urban Development (HUD)

Rental Assistance Programs. The Administration appreciates the Senate bill's support for HUD's two largest rental assistance programs – Housing Choice Vouchers and Project-Based Rental Assistance. The funding provided for these programs is sufficient to maintain rental assistance to current low-income residents. The Administration also appreciates the Senate's support for the Rental Assistance Demonstration.

Public Housing Capital Fund. The Administration urges the Senate to fund the Public Housing Capital Fund at no less than the FY 2011 enacted level of \$2 billion. Given a capital needs backlog that exceeds \$20 billion, maintaining at least level funding is essential for the preservation of critical affordable rental units.

Homeless Assistance Grants. The Administration urges the Senate to provide additional funds for Homeless Assistance Grants. Funding provided by the bill would meet the renewal needs for Continuum of Care programs and Emergency Solution Grants, but would not enable progress on implementing the HEARTH Act and the Federal Strategic Plan to End Homelessness. Without additional funding, HUD will be unable to provide rapid housing interventions to nearly 8,400 disabled homeless persons and families, as well as approximately 16,500 households.

Place-Based Initiatives. The Administration strongly supports the Senate bill's funding levels for

Choice Neighborhoods and Sustainable Communities. These initiatives are critical components of the Administration place-based efforts to fight concentrated poverty and fund strategic plans to integrate housing and transportation investments to expand economic opportunities. While the Administration appreciates the Senate's support for funding the Strong Cities, Strong Communities (SC2) initiative within HUD's Transformation Initiative (TI) account, the Administration urges the Senate to provide HUD with full discretion to allocate funds to SC2 and other TI projects as needed to improve State and local governments' development capacities and meet Departmental priorities.

Housing Counseling. The Administration appreciates the Senate bill's support of Housing Counseling at \$60 million. The lack of funding for this program in FY 2011 and the state of the housing market makes it essential to restore base funding for this program. This funding will support personal counseling and education to families, largely of moderate or low income, and assist them with responses to foreclosure or help them secure affordable housing.

Community Development Block Grant (CDBG) and HOME. The Administration urges the Senate to provide additional funds for the CDBG and the HOME Investment Partnership Program. The Senate bill's substantial reductions to these two programs would significantly delay—and in some cases stop—infrastructure investments, including affordable housing development, and would have detrimental effects on State and local governments across the country.

Other Independent Agencies

Interagency Council on Homelessness. The Administration supports the level of Senate bill's funding for the Interagency Council on the Homelessness and urges the Senate to provide permanent authorization for the agency. The Interagency Council has been a crucial part of this Administration's goal of ending homelessness in America as laid out in the Federal Strategic Plan.

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