

THE WHITE HOUSE

WASHINGTON

January 7, 2003

Dear Mr. Speaker:

I ask the Congress to consider the enclosed requests for FY 2003 budget amendments for the Departments of Agriculture, Health and Human Services, the Interior, Labor, and the Treasury; the Corps of Engineers; as well as the Equal Employment Opportunity Commission and the Federal Trade Commission.

The details of these requests are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert". The signature is stylized with a large, sweeping initial "J" and "H".

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

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

January 3, 2003

The President

The White House

Submitted for your consideration are requests for FY 2003 budget amendments for the Departments of Agriculture, Health and Human Services, the Interior, Labor, and the Treasury; the Corps of Engineers; as well as the Equal Employment Opportunity Commission and the Federal Trade Commission.

As described below and in more detail in the enclosures, the requests include the following:

Department of Agriculture (USDA)

- \$332.8 million is proposed for a new Farm Bill Technical Assistance account. This proposal is necessary to ensure that adequate resources are available for USDA to effectively deliver the fully authorized level of grant funding for conservation programs provided in Public Law 107-171, the Farm Security and Rural Investment Act of 2002.

The \$332.8 million requested would be fully offset by reductions within USDA, as proposed in accompanying amendments.

Department of Health and Human Services (HHS)

- \$361.3 million is proposed for the Health Facilities Construction and Management Fund. This proposal would allow the National Institute of Allergy and Infectious Diseases to accelerate the construction of specialized biosafety laboratories at universities and research institutions across the country needed for priority bioterrorism and infectious disease research. Further, this proposal reflects the revised facilities request for the National Institutes of Health (NIH) that would allow NIH to fully fund construction of the second phase of the John Edward Porter National Neuroscience Research Center in FY 2003.

The \$361.3 million requested would be fully offset within HHS by reductions to various accounts, as proposed in accompanying amendments.

Department of the Interior (DOI)/Corps of Engineers

- \$34.0 million is proposed for expenses in DOI related to the settlement of a lawsuit with the Sumner Peck plaintiffs in Sumner Peck Ranch, Inc. v. Bureau of Reclamation. The proposal would provide the first of three \$34.0 million annual payments to the plaintiffs.

This proposal would be fully offset by reducing several Bureau of Reclamation activities within DOI by \$24.0 million. The remaining \$10.0 million would be provided from funds previously requested in the Corps of Engineers for the Delaware River Main Channel project, which has been delayed pending regulatory approval from the affected States.

Department of Labor

- \$81.7 million is proposed for the Employment and Training Administration (ETA) to finance the implementation of the enhanced Trade Adjustment Assistance (TAA) program, as amended by the Trade Act of 2002 (P.L. 107-210). The proposal is comprised of \$60.5 million for National Emergency Grants (NEGs) for State administration of health insurance tax credits for eligible participants; \$16.8 million for increased costs of State administration of trade readjustment allowances; and \$4.5 million for increased costs of federal administration of TAA certifications and program oversight. An additional \$858.3 million in mandatory funding also is included for TAA training and income support benefits as a result of the expansion in benefits to which trade-displaced workers are entitled under the 2002 Trade Act.

The discretionary proposal would be fully offset by reducing unneeded funds for two activities within ETA by \$81.7 million. These funds had been requested for administrative costs of proposals for a temporary extended unemployment compensation program and NEGs to address the economic slowdown. Congress did provide administrative funding for extended unemployment benefits but did not act on the Administration's NEG proposal.

Department of the Treasury

- \$70.0 million is proposed for the IRS to fund the first year implementation of the advance payment feature of the health insurance tax credit program. The tax credit program was included in the Trade Act of 2002 to assist dislocated workers with their health insurance premiums.

This increase would be fully offset within IRS by a proposed \$70.0 million reduction to the Business Systems Modernization account.

Equal Employment Opportunity Commission (EEOC)

- \$11.6 million is proposed for the EEOC to support its enforcement of federal anti-discrimination law, including the efficient resolution of its workload of private-sector workplace discrimination charges.

This increase would be fully offset by a proposed reduction to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) contingency fund in the Department of Agriculture.

Federal Trade Commission (FTC)

- \$16 million is proposed for the FTC to create a centralized, national registry for consumers who choose not to receive telemarketing solicitations. This amount would be fully offset within the FTC by fees. Consumers will be able to enroll in the Do Not Call registry via the Internet or by calling a toll-free number. Telemarketers would be required to remove the registered numbers from their lists.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the amendments to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "M E Daniels Jr", written in a cursive style.

Mitchell E. Daniels, Jr.

Enclosures

Agency: DEPARTMENT OF AGRICULTURE
Bureau: NATURAL RESOURCES CONSERVATION SERVICE
Heading: Farm Bill Technical Assistance
FY 2003 Budget
Appendix Page: 124-126
FY 2003
Pending Request: ----
Proposed Amendment: \$332,832,000
Revised Request: \$332,832,000

(Insert the above heading and the appropriations language that follows after the material under the heading "Conservation Operations":)

For necessary expenses of the Natural Resources Conservation Service in providing technical assistance and administrative support for programs authorized under subtitle D of title XII of the Food Security Act of 1985, \$332,832,000, to remain available until expended.

This proposal would provide \$332.8 million for technical assistance needed to implement the conservation programs authorized in Public Law 107-171, the Farm Security and Rural Investment Act of 2002. This increase in budgetary resources is fully offset by proposed reductions to: U.S. Department of Agriculture's (USDA's) Conservation Operations account (-\$118.9 million); a number of mandatory conservation programs (-\$147.5 million); three rural development programs (-\$45.0); the Forest Land Enhancement Program (-\$8.0 million); and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program (-\$13.4 million). These proposed reductions are provided in accompanying amendments.

This proposal is necessary to ensure that adequate resources are available for USDA to effectively deliver the fully authorized level of grant funding for conservation programs provided in the 2002 farm bill.

In previous years, technical assistance has been funded primarily through two sources: (1) a portion of the mandatory conservation funding available for farm bill programs, and (2) a portion of the discretionary funding provided to the Conservation Operations account. The Department of Justice has recently determined that USDA is limited in the amount of mandatory Commodity Credit Corporation funding it is authorized to use for government employees to provide technical assistance. This limitation will make it very difficult for USDA to fully implement the farm bill conservation programs without diverting a significant portion of funding in the Conservation Operations account that is not currently devoted to farm bill implementation.

In order to mitigate the situation, this proposal establishes a new discretionary Farm Bill Technical Assistance account that would include sufficient resources to deliver the farm bill conservation programs.

Agency: DEPARTMENT OF AGRICULTURE
Bureau: NATURAL RESOURCES CONSERVATION SERVICE
Heading: Conservation Operations
FY 2003 Budget Appendix Page: 124-125
FY 2003 Pending Request: \$897,190,000
Proposed Amendment: -\$118,914,000
Revised Request: \$778,276,000

This proposal would reduce funding available for technical assistance in the Conservation Operations account. In an accompanying proposal, the funding would now be requested as part of the new Farm Bill Technical Assistance account.

Currently, the Natural Resources Conservation Service spends approximately \$150.0 million providing technical assistance to support farm bill programs. This funding would now be provided in the proposed new Farm Bill Technical Assistance account and merged with the other funding the agency uses to provide technical assistance for the farm bill programs, totaling \$332.8 million. Resources remaining in the Conservation Operations account would be available for established uses, including general conservation planning, soil and snow surveys, and plant material centers.

Agency: DEPARTMENT OF AGRICULTURE
Bureau: FOOD AND NUTRITION SERVICE
Heading: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
FY 2003 Budget Appendix Page: 178
FY 2003 Pending Request: \$4,751,000,000
Proposed Amendment: -\$25,000,000
Revised Request: \$4,726,000,000

This proposal would reduce the contingency fund for the WIC program by \$25.0 million, (from \$150.0 million to \$125.0 million). This reduction is possible due to lower than anticipated food costs in WIC in FY 2003. A \$125.0 million contingency fund in FY 2003 would be sufficient to ensure that WIC can serve all eligible persons seeking services.

Funds from this reduction would be used to offset accompanying proposals for the Department of Agriculture (\$13,386,000 for a new Farm Bill Technical Assistance account), and for the Equal Employment Opportunity Commission (\$11,614,000 for Salaries and Expenses).

Agency: DEPARTMENT OF AGRICULTURE
Heading: TITLE VII – GENERAL PROVISIONS
FY 2003 Budget
Appendix Page: 195-201
FY 2003
Pending Request: ----
Proposed Amendment: -\$147,532,000
Revised Request: -\$147,532,000

(In the appropriations language under the above heading, insert the following new appropriations language after Section 722:)

Sec. 723: None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the following programs:

(a) an environmental quality incentives program authorized by 16 U.S.C. 3839aa et seq. in excess of \$595,000,000;

(b) a ground and surface water conservation program authorized by 16 U.S.C. 3839aa-9 in excess of \$38,250,000;

(c) a water conservation program in the Klamath Basin authorized by 16 U.S.C. 3839aa-9 in excess of \$8,118,000;

(d) a farmland protection program authorized by 16 U.S.C. 3838h-i in excess of \$85,000,000;

(e) a grassland reserve program authorized by 16 U.S.C. 3838n-q in excess of \$72,250,000;

(f) a wildlife habitat incentives program authorized by 16 U.S.C. 3839bb et seq. in excess of \$25,500,000;

(g) an agricultural management assistance program authorized by 7 U.S.C. 1524 in excess of \$17,900,000.

This proposal would reduce funding available for a number of mandatory conservation programs that receive funding from the Commodity Credit Corporation (CCC).

In prior years, funding from these programs was made available for technical assistance in addition to financial assistance. The Department of Justice has determined that the amount of funding allowable for technical assistance when provided by government employees is covered by a cap on the amount of CCC funding that can be spent on government employee salaries and benefits. The cap is set at the amount of funding spent on government employee salaries and benefits in 1995, or \$56.0 million, which is not sufficient to provide adequate technical assistance to the recipients of these programs.

In an accompanying proposal, \$332.8 million will be provided through a new discretionary appropriation for technical assistance. The proposed reductions in these mandatory programs, totaling \$147.5 million, would provide a portion of the offset needed to fund the increased discretionary appropriation.

FY 2003

Pending Request: -----

Proposed Amendment: -\$5,000,000

Revised Request: -\$5,000,000

(Insert the following new appropriations language after the proposed Section 723:)

Sec. 724: None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out section 9006 of the Farm Security and Rural Investment Act of 2002 in excess of \$18,000,000.

This proposal would reduce funding for a new renewable energy loan and grant program authorized in P.L. 107-171, the Farm Security and Rural Investment Act of 2002. The Department of Agriculture (USDA) has other existing programs that can be used to provide funding for similar purposes to those stated for this new renewable energy loan and grant program. The \$5.0 million in savings resulting from this amendment would be available to partially offset an accompanying proposal that would provide \$332.8 million in technical assistance to implement the farm bill conservation programs.

FY 2003

Pending Request: -----

Proposed Amendment: -\$10,000,000

Revised Request: -\$10,000,000

(Insert the following new appropriations language after the proposed Section 724:)

Sec. 725: None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out section 6405 of the Farm Security and Rural Investment Act of 2002. Funds under such section for fiscal year 2003 are hereby cancelled.

This proposal would eliminate funding for a new program that provides grants for training firefighters and emergency medical personnel in rural areas authorized in P.L. 107-171, the Farm Security and Rural Investment Act of 2002. The Federal Emergency Management Agency (FEMA) has an existing fire prevention and training program that is funded at \$360.0 million in 2002 to train and equip firefighters. For FY 2003, the Administration is requesting \$3.5 billion in grant assistance for State and local first responders, including firefighters. Additionally, both the Department of the Interior's Bureau of Land Management and USDA's Forest Service have rural fire assistance funding, which can be used to fund training.

The \$10.0 million in savings resulting from this amendment would be available to partially offset an accompanying proposal that would provide \$332.8 million in technical assistance to implement the farm bill conservation programs.

FY 2003

Pending Request: -----

Proposed Amendment: -\$30,000,000

Revised Request: -\$30,000,000

(Insert the following new appropriations language after the proposed Section 725:)

Sec. 726: None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out section 6401 of the Farm Security and Rural Investment Act of 2002 in excess of \$10,000,000. Funds under such section for fiscal year 2003 in excess of \$10,000,000 are hereby cancelled.

This proposal would reduce funding for a program that provides "value-added" grants to rural cooperatives to assist in marketing products made from new uses of agricultural crops. USDA has other programs, including the rural cooperative development grants, that provide similar assistance, and the FY 2002 funding for the program was carried forward because it was not used, which means that a total of \$50.0 million will be available to be spent on the purposes of the program in FY 2003. The \$30.0 million in savings resulting from this amendment would be available to partially offset an accompanying proposal that would provide \$332.8 million in technical assistance to implement the farm bill conservation programs.

FY 2003

Pending Request: -----

Proposed Amendment: -\$8,000,000

Revised Request: -\$8,000,000

(Insert the following new appropriations language after the proposed Section 726:)

Sec. 727: None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out section 8002 of the Farm Security and Rural Investment Act of 2002 in excess of \$92,000,000. Funds under such section for fiscal year 2003 in excess of \$92,000,000 are hereby cancelled.

This proposal would reduce funding for a new program that provides financial assistance to State foresters and private owners to improve the management of non-industrial private forest lands. USDA is currently in the process of drafting the regulations to implement the program,

and it is unlikely that the rules will be prepared in time to spend the full amount expected to be spent in FY 2003. The \$8.0 million in savings resulting from this amendment would be available to partially offset an accompanying proposal that would provide \$332.8 million in technical assistance to implement the farm bill conservation programs.

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Bureau: DEPARTMENTAL MANAGEMENT

Heading: Health Facilities Construction and Management Fund

FY 2003 Budget

Appendix Page: 466

FY 2003

Pending Request: \$1,056,980,000

Proposed Amendment: \$361,300,000

Revised Request: \$1,418,280,000

(In the appropriation language under the above heading, delete "\$1,056,980,000" and substitute \$1,418,280,000; delete "\$632,800,000" and substitute \$769,100,000; and delete "\$150,000,000" and substitute \$375,000,000.)

This proposal would revise the National Institutes of Health's (NIH's) pending request in two areas. First, it would allow the National Institute of Allergy and Infectious Diseases to accelerate the construction of specialized biosafety laboratories at universities and research institutions across the country that are needed for priority bioterrorism and infectious disease research. Second, this proposal would allow NIH to fully fund construction of the second phase of the John Edward Porter National Neuroscience Research Center in FY 2003.

Funding for these requests would be provided by increasing the amount to be derived by transfer to this account, by \$225.0 million, from the National Institute of Allergy and Infectious Diseases and, in an accompanying proposal, increasing by \$136.3 million the amount to be derived by transfer to this account from NIH's Buildings and Facilities account.

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Bureau: NATIONAL INSTITUTES OF HEALTH

Heading: Various

FY 2003 Budget
Appendix Page: 442-444

FY 2003
Pending Total Request \$27,335,075

Proposed Total
Amendment: -----

Revised Total Request: \$27,335,075

This proposal would reallocate \$136.3 million from various accounts within the National Institutes of Health (NIH) to the Building and Facilities account in NIH, for transfer to the Health Facilities Construction and Management Fund in the Department of Health and Human Services, to be available until expended. The \$136.3 million would allow NIH to fully fund construction of the second phase of the John Edward Porter National Neuroscience Research Center in FY 2003. The FY 2003 Budget proposed to fully finance this project before it was displaced by the cost increases associated with the Clinical Research Center.

A related proposal is also included in this transmittal that would increase transfers from NIH to the Health Facilities Construction and Management Fund by an additional \$225.0 million for a total of \$375.0 million, to remain available until expended, to accelerate construction of specialized extramural biosafety laboratories.

The details of the account reallocations follow.

Heading: National Cancer Institute

FY 2003
Pending Request: \$5,122,111,000

Proposed Amendment: -\$28,884,000

Revised Request: \$5,093,227,000

(In the appropriations language under the above heading, delete "\$5,122,111,000" and substitute \$5,093,227,000 each place it occurs.)

Heading: National Heart, Lung, and Blood Institute

FY 2003

Pending Request: \$2,746,280,000

Proposed Amendment: -\$12,683,000

Revised Request: \$2,733,597,000

(In the appropriations language under the above heading, delete "\$2,746,280,000" and substitute \$2,733,597,000.)

Heading: National Institute of Dental and Craniofacial Research

FY 2003

Pending Request: \$366,550,000

Proposed Amendment: -\$2,369,000

Revised Request: \$364,181,000

(In the appropriations language under the above heading, delete "\$366,550,000" and substitute \$364,181,000.)

Heading: National Institute of Diabetes and Digestive and Kidney Diseases

FY 2003

Pending Request: \$1,578,913,000

Proposed Amendment: -\$421,000

Revised Request: \$1,578,492,000

(In the appropriations language under the above heading, delete "\$1,578,913,000" and substitute \$1,578,492,000.)

Heading: National Institute of Neurological Disorders and Stroke

FY 2003

Pending Request: \$1,416,780,000

Proposed Amendment: -\$7,100,000

Revised Request: \$1,409,680,000

(In the appropriations language under the above heading, delete "\$1,416,780,000" and substitute \$1,409,680,000.)

Heading: National Institute of Allergy and Infectious Diseases

FY 2003

Pending Request: \$3,959,054,000

Proposed Amendment: -\$6,780,000

Revised Request: \$3,952,274,000

(In the appropriations language under the above heading, delete "\$3,959,054,000" and substitute \$3,952,274,000.)

Heading: National Institute of General Medical Sciences

FY 2003

Pending Request: \$1,842,404,000

Proposed Amendment: -\$5,741,000

Revised Request: \$1,836,663,000

(In the appropriations language under the above heading, delete "\$1,842,404,000" and substitute \$1,836,663,000.)

Heading: National Institute of Child Health and Human Development

FY 2003

Pending Request: \$1,191,431,000

Proposed Amendment: -\$17,724,000

Revised Request: \$1,173,707,000

(In the appropriations language under the above heading, delete "\$1,191,431,000" and substitute \$1,173,707,000.)

Heading: National Eye Institute

FY 2003

Pending Request: \$620,083,000

Proposed Amendment: -\$4,324,000

Revised Request: \$615,759,000

(In the appropriations language under the above heading, delete "\$620,083,000" and substitute \$615,759,000.)

Heading: National Institute of Environmental Health Sciences

FY 2003

Pending Request: \$681,433,000

Proposed Amendment: -\$4,853,000

Revised Request: \$676,580,000

(In the appropriations language under the above heading, delete "\$74,471,000" and substitute \$74,171,000; and delete "\$606,962,000" and substitute \$602,409,000.)

Heading: National Institute on Aging

FY 2003

Pending Request: \$953,160,000

Proposed Amendment: -\$10,544,000

Revised Request: \$942,616,000

(In the appropriations language under the above heading, delete "\$953,160,000" and substitute \$942,616,000.)

Heading: National Institute of Arthritis and Musculoskeletal and Skin Diseases

FY 2003

Pending Request: \$478,085,000

Proposed Amendment: -\$773,000

Revised Request: \$477,312,000

(In the appropriations language under the above heading, delete "\$478,085,000" and substitute \$477,312,000.)

Heading: National Institute on Deafness and Other Communication Disorders

FY 2003

Pending Request: \$364,186,000

Proposed Amendment: -\$4,876,000

Revised Request: \$359,310,000

(In the appropriations language under the above heading, delete "\$364,186,000" and substitute \$359,310,000.)

Heading: National Institute of Nursing Research

FY 2003

Pending Request: \$128,158,000

Proposed Amendment: -\$670,000

Revised Request: \$127,488,000

(In the appropriations language under the above heading, delete "\$128,158,000" and substitute \$127,488,000.)

Heading: National Institute on Alcohol Abuse and Alcoholism

FY 2003

Pending Request: \$409,960,000

Proposed Amendment: -\$1,463,000

Revised Request: \$408,497,000

(In the appropriations language under the above heading, delete "\$409,960,000" and substitute \$408,497,000.)

Heading: National Institute on Drug Abuse

FY 2003

Pending Request: \$948,452,000

Proposed Amendment: -\$4,031,000

Revised Request: \$944,421,000

(In the appropriations language under the above heading, delete "\$948,452,000" and substitute \$944,421,000.)

Heading: National Institute of Mental Health

FY 2003

Pending Request: \$1,332,165,000

Proposed Amendment: -\$9,360,000

Revised Request: \$1,322,805,000

(In the appropriations language under the above heading, delete "\$1,332,165,000" and substitute \$1,322,805,000.)

Heading: National Human Genome Research Institute

FY 2003

Pending Request: \$457,032,000

Proposed Amendment: -\$6,955,000

Revised Request: \$450,077,000

(In the appropriations language under the above heading, delete "\$457,032,000" and substitute \$450,077,000.)

Heading: National Institute of Biomedical Imaging and Bioengineering

FY 2003

Pending Request: \$118,842,000

Proposed Amendment: -\$698,000

Revised Request: \$118,144,000

(In the appropriations language under the heading, delete "\$118,842,000" and substitute \$118,144,000.)

Heading: National Center for Research Resources

FY 2003

Pending Request: \$1,072,581,000

Proposed Amendment: -\$55,000

Revised Request: \$1,072,526,000

(In the appropriations language under the above heading, delete "\$1,072,581,000" and substitute \$1,072,526,000.)

Heading: National Center for Complementary and Alternative Medicine

FY 2003

Pending Request: \$111,494,000

Proposed Amendment: -\$702,000

Revised Request: \$110,792,000

(In the appropriations language under the above heading, delete "\$111,494,000" and substitute \$110,792,000.)

Heading: National Center on Minority Health and Health Disparities

FY 2003

Pending Request: \$178,559,000

Proposed Amendment: -\$1,044,000

Revised Request: \$177,515,000

(In the appropriations language under the above heading, delete "\$178,559,000" and substitute \$177,515,000.)

Heading: John E. Fogarty International Center

FY 2003

Pending Request: \$62,933,000

Proposed Amendment: -\$292,000

Revised Request: \$62,641,000

(In the appropriations language under the above heading, delete "\$62,933,000" and substitute \$62,641,000.)

Heading: National Library of Medicine

FY 2003

Pending Request: \$308,987,000

Proposed Amendment: -\$2,743,000

Revised Request: \$306,244,000

(In the appropriations language under the above heading, delete "\$308,987,000" and substitute \$306,244,000.)

Heading: Office of the Director

FY 2003

Pending Request: \$252,642,000

Proposed Amendment: -\$1,215,000

Revised Request: \$251,427,000

(In the appropriations language under the above heading, delete "\$252,642,000" and substitute \$251,427,000.)

Heading: Buildings and Facilities

FY 2003

Pending Request: \$632,800,000

Proposed Amendment: \$136,300,000

Revised Request: \$769,100,000

(In the appropriations language under the above heading, delete "\$632,800,000" and substitute \$769,100,000.)

Agency: DEPARTMENT OF THE INTERIOR

Bureau: BUREAU OF RECLAMATION

Heading: Water and Related Resources

FY 2003 Budget
Appendix Page: 542

FY 2003
Pending Request: \$739,705,000

Proposed Amendment: \$14,900,000 (net)

Revised Request: \$754,605,000

(In the appropriations language under the above heading, delete "\$739,705,000" and substitute \$754,605,000; and insert after "under Public Law 106-163;" the following new provision:)

of which \$32,300,000 is for the settlement agreement of Sumner Peck Ranch, Inc. v. Bureau of Reclamation (Civ. No F-91-048 OWW (E.D. Cal));

This proposal would fund \$32.3 million of the \$34.0 million FY 2003 cost associated with a settlement of litigation between the Department of the Interior and plaintiffs in Sumner Peck Ranch, Inc. v. Bureau of Reclamation. The remaining \$1.7 million is requested in an accompanying proposal for the Central Valley Project Restoration Fund.

This would be the first of three equal payments of \$34 million. The Administration is developing a proposal to address any outstanding federal drainage obligations in the San Luis Unit.

Proposed offsets would be derived from reductions within the Water and Related Resources account (\$17.4 million), as detailed below. An additional \$14.9 million in offsets would be provided from the Bureau of Reclamation's San Gabriel Restoration Fund (\$4.9 million) and the Corps of Engineers, Construction, General account (\$10.0 million), as proposed in accompanying amendments.

Specifically, the proposed offsets from activities within the Water and Related Resources account are:

- \$5.0 million, Central Valley Project (CVP) replacement, additions, and extraordinary maintenance program. Funding for long-term maintenance and replacements would be reduced, but \$11.0 million would still be available for all but the least critical activities.
- \$0.4 million, CVP, including New Melones adaptive management and temperature management studies, and the Arroyo-Pasajero watershed management plan. These are new studies that can be postponed.
- \$0.8 million, CVP miscellaneous project programs, water conservation program. These are new studies that can be postponed.

- \$6.2 million, Title XVI water reuse and recycling projects in California. The projects are driven by local sponsors, and will still go forward with reduced federal funding.

Reductions include:

- \$0.3 million, Calleguas Municipal Water District Recycling Project;
 - \$0.5 million, Long Beach Area Water Reclamation & Reuse Program;
 - \$0.7 million, North San Diego County Water Reclamation Program;
 - \$0.7 million, Orange County Regional Water Reclamation Program;
 - \$2.3 million, San Diego Area Water Reclamation Program;
 - \$0.7 million, San Gabriel Basin Project; and
 - \$1.0 million, San Jose Area Water Reclamation and Reuse Program.
- \$5.0 million, CVP, Auburn-Folsom South Unit, Placer County Water Authority Pumps.

Replacement of these pumps can be delayed and limited operations can continue with temporary pumps.

Agency: DEPARTMENT OF THE INTERIOR
Bureau: BUREAU OF RECLAMATION
Heading: Central Valley Project Restoration Fund
FY 2003 Budget Appendix Page: 544
FY 2003 Pending Request: \$48,904,000
Proposed Amendment: -----
Revised Request: \$48,904,000

(In the appropriations language under the above heading, insert after, "to remain available until expended" the following new provision:)

. of which \$1,700,000 is for the settlement agreement of Sumner Peck Ranch, Inc. v. Bureau of Reclamation (Civ. No F-91-048 OWW (E.D. Cal))

This proposal would fund \$1.7 million of the \$34.0 million FY 2003 cost associated with a settlement of litigation between the Department of the Interior and plaintiffs in the case of Sumner Peck Ranch, Inc. v. Bureau of Reclamation. The remaining \$32.3 million is requested in an accompanying amendment for the Water and Related Resources account.

The \$1.7 million would be provided from the Land Retirement Program, which is an appropriate source of funding for the settlement costs (the settlement includes fallowing of irrigated agricultural land).

Agency: DEPARTMENT OF THE INTERIOR

Bureau: BUREAU OF RECLAMATION

Heading: San Gabriel Basin Restoration Fund

FY 2003 Budget
Appendix Page: 546

FY 2003
Pending Request: -----

Proposed Amendment: -\$4,900,000

Revised Request: -\$4,900,000

(Under the above heading, insert the following new appropriations language:)

From unobligated balances under this heading, \$4,900,000 is hereby cancelled.

This \$4.9 million reduction would offset part of the \$34.0 million FY 2003 cost associated with a settlement of litigation between the Department of the Interior and plaintiffs in the case of Sumner Peck Ranch, Inc. v. Bureau of Reclamation.

The San Gabriel Basin Restoration Fund has \$4.9 million in carryover balances available as a result of local project sponsors not contributing the 35 percent cost-share necessary to obligate federal funds.

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| Agency: | CORPS OF ENGINEERS—CIVIL WORKS |
| Heading: | Construction, General |
| FY 2003 Budget Appendix Page: | 886-887 |
| FY 2003 Pending Request: | \$1,440,000,000 |
| Proposed Amendment: | -\$10,000,000 |
| Revised Request: | \$1,430,000,000 |

This proposed \$10.0 million reduction would offset part of the \$34.0 million, FY 2003 cost associated with a settlement of litigation between the Department of the Interior, and plaintiffs in the case of Sumner Peck Ranch, Inc. v. Bureau of Reclamation. The remaining \$24.0 million is provided in accompanying amendments.

The \$10.0 million is available from the Corp's Delaware River Main Channel project, which has been delayed as a result of the need to obtain regulatory approval from the affected States.

Agency: DEPARTMENT OF LABOR
Bureau: EMPLOYMENT AND TRAINING ADMINISTRATION
Heading: Training and Employment Services
FY 2003 Budget
Appendix Page: 657
FY 2003
Pending Request: \$4,980,616,000
Proposed Amendment: \$60,465,000
Revised Request: \$5,041,081,000

(In the appropriations language under the above heading, delete "\$2,517,616,000" and substitute "\$2,578,081,000;" and insert after "section 169 of such Act; and of which \$60,465,000 is available for the period October 1, 2002 until expended to carry out section 173(a)(4)(A) of the Workforce Investment Act;)

This proposal would provide \$60.5 million in the Training and Employment Services account for National Emergency Grants (NEGs), authorized in Public Law 107-210, the Trade Act of 2002. These "Trade NEGs" will be awarded to States to support the administration of health insurance tax credits for eligible participants in the Trade Adjustment Assistance (TAA) program.

The requested increase is offset in two accompanying proposals that would reduce the pending request for the Employment and Training Administration's State Unemployment Insurance and Employment Service Operations (SUIESO) and Program Administration (PA) accounts for unneeded administrative expenses. Administrative funds for the Temporary Extended Unemployment Compensation program were provided in the authorizing legislation (P.L. 107-147). The administrative resources for PA are not needed because Congress did not act on the Administration's request to expand NEGs to address the economic slowdown.

Agency: DEPARTMENT OF LABOR
Bureau: EMPLOYMENT AND TRAINING ADMINISTRATION
Heading: Federal Unemployment Benefits and Allowances
FY 2003 Budget Appendix Page: 659
FY 2003 Pending Request: \$13,000,000
Proposed Amendment: \$858,250,000
Revised Request: \$871,250,000

This proposal would increase the FY 2003 mandatory request for Trade Adjustment Assistance (TAA) training and cash allowances. The amendment is required as a result of the expansion in benefits to which trade-displaced workers are entitled in Public Law 107-210, the Trade Act of 2002, which was enacted on August 6, 2002. At the time of the FY 2003 Budget request, the authorization for the TAA program had expired, and the budget included only phase-out benefits.

Agency: DEPARTMENT OF LABOR
Bureau: EMPLOYMENT AND TRAINING ADMINISTRATION
Heading: State Unemployment Insurance and Employment Service Operations
FY 2003 Budget Appendix Page: 660
FY 2003 Pending Request: \$3,686,543,000 (general funds and trust funds combined)
Proposed Amendment: -\$59,400,000 (net change)
Revised Request: \$3,627,143,000

(In the appropriations language above the above heading, delete "\$3,530,091,000" and substitute \$3,470,691,000 and delete "; and of which not to exceed \$76,200,000" through "program of extended unemployment benefits".)

This proposed \$59.4 million net reduction would offset a portion of the FY 2003 costs associated with enactment of Public Law 107-210, the Trade Act of 2002, which significantly expanded the Trade Adjustment Assistance (TAA) program. In an accompanying proposal, these resources would finance a new discretionary appropriation in the Training and Employment Services account for National Emergency Grants (NEGs) for State administration of health insurance tax credits for eligible participants in the TAA program.

This proposal also would provide a new discretionary appropriation of \$16.8 million in the State Unemployment Insurance and Employment Service Operations (SUIESO) account for State grants for the administrative costs of providing mandatory cash benefits to trade-displaced workers under the expanded TAA program.

The proposed offset would be derived from a reduction of \$76.2 million within the SUIESO account for the administrative costs associated with the FY 2003 Budget's proposed temporary Emergency Extended Unemployment Compensation program. These funds have been provided in Public Law 107-147, which authorized the Temporary Extended Unemployment Compensation program.

Agency: DEPARTMENT OF LABOR
Bureau: EMPLOYMENT AND TRAINING ADMINISTRATION
Heading: Program Administration
FY 2003 Budget Appendix Page: 663
FY 2003 Pending Request: \$179,814,000 (general funds and trust funds combined)
Proposed Amendment: -\$1,065,000 (net)
Revised Request: \$178,749,000

(In the appropriations language above the above heading, delete "\$126,752,000" and substitute \$121,642,000; delete "\$53,062,000" and substitute \$57,107,000; and delete the provision "and of which \$5,530,000" through "September 11, 2001".)

This proposal is necessary to ensure that adequate resources are available for the Employment and Training Administration to effectively administer the Trade Act of 2002 (P.L. 107-210), which significantly expanded eligibility and benefits in the Trade Adjustment Assistance (TAA) program. It would provide \$4,465,000 to finance the increased federal administrative costs in FY 2003 associated with TAA program oversight and eligibility determination.

The \$4,465,000 increase would be offset by a reduction to the account of \$5,530,000, which is no longer needed for administrative costs of the National Emergency Grants (NEGs). Congress did not act on the FY 2003 Budget's proposed expansion of NEGs to address the economic slowdown. The remaining net reduction to the account of \$1,065,000 would partially offset the increased FY 2003 costs in the Training and Employment Services account for "Trade NEGs," as authorized in the 2002 Trade Act.

Agency: DEPARTMENT OF THE TREASURY
Bureau: INTERNAL REVENUE SERVICE
Heading: Health Insurance Tax Credit Administration
FY 2003 Budget Appendix Page: 836-837
FY 2003 Pending Request: -----
Proposed Amendment: \$70,000,000
Revised Request: \$70,000,000

(Under the bureau Internal Revenue Service, immediately after the Earned Income Tax Credit Compliance Initiative account, insert the above proposed heading and the following new appropriation language:)

For necessary expenses to implement the health insurance tax credit included in the Trade Act of 2002 (P.L. 107-210), \$70,000,000, to remain available until September 30, 2004.

This proposal would establish a new account within IRS to put into effect the advance payment feature of the health insurance tax credit program, included in the Trade Act of 2002 (P.L. 107-210) to assist dislocated workers with their health insurance premiums. The Act required that this feature be implemented by August 2003 but provided no implementation funding. As proposed in an accompanying amendment, the \$70.0 million needed to fund the first year implementation of the advance payment feature would be offset from the Business Systems Modernization account within IRS.

Agency: DEPARTMENT OF THE TREASURY
Bureau: INTERNAL REVENUE SERVICE
Heading: Business Systems Modernization
FY 2003 Budget Appendix Page: 838
FY 2003 Pending Request: \$450,000,000
Proposed Amendment: -\$70,000,000
Revised Request: \$380,000,000

This proposal would reduce the Business Systems Modernization account by \$70.0 million to offset a new account, Health Insurance Tax Credit Administration, proposed in an accompanying amendment. This reduction is possible by deferring certain tax administration applications to FY 2004.

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| Agency: | EQUAL EMPLOYMENT OPPORTUNITY COMMISSION |
| Heading: | Salaries and Expenses |
| FY 2003 Budget Appendix Page: | 1109 |
| FY 2003 Pending Request: | \$323,516,000 |
| Proposed Amendment: | \$11,614,000 |
| Revised Request: | \$335,130,000 |

This proposal would increase the pending request for the Equal Employment Opportunity Commission (EEOC) by \$11.6 million. This additional funding would support enforcement of federal law prohibiting discrimination in the workplace on the basis of race, color, sex, religion, national origin, age, and disability, and allow EEOC to continue to resolve efficiently its workload of private sector charges.

Of the \$11.6 million proposed increase, approximately \$9.7 million would finance compensation and benefits and related costs and approximately \$1.9 million would finance rent payments, both of which are at levels higher than those requested in the FY 2003 Budget.

This increase is fully offset in an accompanying amendment that would reduce the pending request for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).

Agency: FEDERAL TRADE COMMISSION

Heading: Salaries and Expenses

FY 2003 Budget
Appendix Page: 1135

FY 2003
Pending Request: \$176,509,000

Proposed Amendment: \$13,000,000

Revised Request: \$189,509,000

(In the appropriations language under the above heading, delete "\$176,509,000" and substitute \$189,509,000; delete the phrase, "; and offsetting collections" through "Telephone Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.)" and substitute the following:)

: Provided further, That \$16,000,000 in offsetting collections derived from fees sufficient to implement and enforce the do-not-call provisions of the Telemarketing Sales Rule, promulgated under the Telephone Consumer Fraud and Abuse Prevention Act (15 U.S.C. 6101 et seq.), shall be credited to this account, and be retained and used for necessary expenses in this appropriation

This proposal would provide an additional \$16.0 million to create a Do Not Call registry. The registry would be a national database of telephone numbers of consumers who choose not to receive telephone solicitations. Consumers would enroll in the registry by calling a toll-free number or via the Internet. Once the program is implemented, telemarketers would be required to "scrub" their telephone lists, removing the numbers of all registered consumers. Calling a consumer whose telephone number is on the registry would be a Rule violation.

As proposed in this amendment, fees collected from businesses would offset the \$16.0 million needed to implement and enforce this program.