



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

September 10, 2009
(Senate)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3288 — Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2010

(Sen. Inouye, D-Hawaii)

The Administration strongly supports Senate passage of H.R. 3288, with the Senate Committee-reported bill, 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 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 The legislation takes an important step toward modernizing what has become an outdated and over-stressed transportation network.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 funding for transit and air travel safety 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 for 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. As part of this important agenda, the Administration will work with the Congress to secure the funding needed 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. The Administration encourages the Congress to support the creation of a National Infrastructure Bank and not substitute in its place a national infrastructure grant program in conjunction with increases for transportation infrastructure credit. Once established, a Bank will help forge a new path forward in infrastructure sponsorship and cross-jurisdictional partnership. The Administration looks forward to working with the Congress as soon as possible to authorize a National Infrastructure Bank, which could blend grant and credit financing. The Bank will play a key role in supporting regionally and nationally significant, high-value, multi-

modal projects selected on the basis of merit.

High-Speed Rail. The Administration thanks the Committee for its support for capital grants that would help sustain 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.

Choice Neighborhoods. The Administration appreciates that the Committee provides the requested \$250 million for Choice Neighborhoods, which will support the Administration's broader effort to fight concentrated poverty and revitalize highly distressed neighborhoods.

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.

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 programs not allocated based on cost-benefit analysis.

Department of Transportation

The Administration is pleased that the Committee supports the request for the Department of Transportation. 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 appreciates \$75 million provided by the Committee for the Energy Innovation Fund, but urges the Congress to include the full \$100 million request 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 for HUD programs. These funds would support efforts to significantly improve program performance through demonstrations, evaluation, technical assistance, and more effective information technology.

* * * * *