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

June 25, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2410 — Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2014
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 2410, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2014. The bill severely undermines key investments in financial oversight in a manner that would cripple Wall Street reform, and impedes implementation of statutorily-mandated financial regulations. It also imposes harmful cuts in rural economic development, renewable energy development, nutrition programs, food safety, agricultural research, and international food aid. Investing in these areas is critical to the Nation's economic growth, security, and global competitiveness. If the President were presented with H.R. 2410, his senior advisors would recommend that he veto the bill.

In addition, enacting H.R. 2410, while adhering to the overall spending limits in the House Budget's topline discretionary level for fiscal year (FY) 2014, would hurt our economy and require draconian cuts to middle-class priorities. These cuts could result in hundreds of thousands of low-income children losing access to Head Start programs, tens of thousands of children with disabilities losing Federal funding for their special education teachers and aides, thousands of Federal agents who can't enforce drug laws, combat violent crime or apprehend fugitives, and thousands of scientists without medical grants, which would slow research that could lead to new treatments and cures for diseases like cancer and Alzheimer's, and hurt America's economic competitiveness.

More than two months have passed since the deadline for action and the Congress has yet to appoint conferees and agree on a budget resolution. Prior to consideration of appropriations bills the Congress should complete an appropriate framework for all the appropriations bills that supports our recovery and enables sufficient investments in education, infrastructure, innovation and national security for our economy to compete in the future. As such, the President's senior advisors would recommend that he veto H.R. 2410 and any other legislation that implements the House Republican Budget framework.

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

U.S. Department of Agriculture (USDA)

International Food Aid Reform. The Administration strongly objects to the funding level provided in the Committee bill for P.L. 480 Title II. The bill fails to incorporate any of the efficiencies sought in the President's food aid reform request, and instead cuts P.L. 480 Title II funding by over 20 percent compared to the Budget request, with the reduction coming entirely out of emergency food aid. By cutting emergency food aid funding and excluding the proposed changes to allow more efficient food aid, the bill would delay food aid to starving people up to 14 weeks and would preclude as many as 12 million people from receiving life-saving assistance than under the Administration's proposal.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The Administration is deeply concerned that the WIC funding level in the Committee bill puts the program at significant risk of being unable to serve all eligible women and children who seek assistance, which could result in waiting lists, greater hardship, and poorer health outcomes for this vulnerable population. In addition, the low funding level would effectively end the breastfeeding peer counseling program for the year, stall needed technology investments to improve program efficiency, and deplete the contingency reserve just to cover anticipated costs, leaving the program at risk of further cuts in the event of unexpected changes in food prices or participation.

Child Nutrition School Equipment Grants. The Administration urges the Congress to fund school meals equipment competitive grants, which would help school districts purchase the equipment needed to serve healthier meals, improve food safety, expand access to meals, and improve energy efficiency.

Food Safety and Inspection Service (FSIS). The Administration opposes the funding level for FSIS. In addition to a nearly $10 million reduction from the President's Budget request, the Committee bill forces FSIS to absorb $9 million in rental costs by not providing the necessary funding. These cuts will significantly impact USDA's ability to adequately inspect food processing plants and prevent foodborne diseases from contaminating America's meat, poultry, and egg product supply. Over 80 percent of FSIS's employees are frontline inspectors and the Committee's recommendation may require the agency to furlough. Decreased FSIS inspections will disrupt industry production.

Research Facilities. The Administration urges the House to include the requested $155 million to fully fund a high priority poultry biosafety and laboratory facility. State-of-the-art research facilities to replace USDA's aging laboratory infrastructure are key to the Department's ability to meet research challenges of the 21st Century.

Research Grants. The Administration objects to the level of funding provided for the Agricultural Food and Research Initiative (AFRI) at $291 million, which is a reduction of approximately 24 percent from the FY 2014 Budget request. The Administration urges the Congress to fully fund the request for competitive peer-reviewed research grants through AFRI.

USDA Funding for GSA Rent. The Administration urges the Congress to include $164 million in funding for rent as requested in the FY 2014 Budget. The Committee bill would require 20 agencies—including the three field agencies, the research agencies, the Office of Inspector General and others—to absorb a total of $164 million in fixed rent costs. This is a de facto reduction to already constrained agency operating budgets. For example, the bill would require the Economic Research Service to divert more than 8 percent of its current budget to fund rental payments. These problems are exacerbated by not having the authority requested in the Budget to allow the Department to use mandatory funds to pay for administrative expenses related to delivering certain Commodity Credit Corporation programs.

Evidence-Based Rural Business Grant Proposal. The Administration strongly urges the Congress to include the FY 2014 Budget request to consolidate seven existing rural development grant programs into a new program that would leverage evidence to award rural business grants.

Clean and Renewable Energy. The Administration urges the Congress to include the President's FY 2014 Budget request to move the Rural Electric Loan Program away from fossil fuels and encourage the construction, acquisition, or improvement of renewable energy plants in rural America. In addition, the Administration urges the House to fund the Rural Energy for America Program at the level requested in the Budget.

Rental Assistance Program. The Administration appreciates that the Committee provided full funding for expiring rental assistance contracts expected in FY 2014 of $1.012 billion, which will continue the support for USDA-financed properties on behalf of the tenants who receive subsidized rent.

Ban on Horse Slaughter. The Administration appreciates reinstatement of the Federal ban on horse slaughter and looks forward to working with the Congress to complete work on this important legislation.

Department of Health and Human Services

Food and Drug Administration (FDA). The Administration strongly supports robust funding for FDA to continue implementation of the Food Safety Modernization Act and to modernize regulatory science to support medical product innovation. The Administration is concerned that the Committee bill provides $4.3 billion in total resources for FDA, which is $342 million below the President's request, and does not include new proposed user fees. The Administration urges the Congress to enact new user fees proposed in the FY 2014 Budget, which would provide significant additional resources to enhance FDA regulatory capacity, as well as provide benefits to industry, advance the Nation's food safety system, and continue implementation of the Food Safety Modernization Act. While the Administration appreciates the funding to continue the development of the FDA Life Sciences/Biodefense laboratory in White Oak, Maryland, the overall reductions in budget authority will limit FDA's ability to oversee the safety and quality of Nation's food and medical products and threaten the agency's ability to improve and maintain FDA's other critical facilities.

Other Agencies

Commodity Futures Trading Commission (CFTC). The Administration strongly opposes the funding level of $195 million for CFTC, which is $120 million below the President's FY 2014 Budget request. The reduced funding level will seriously impede CFTC's implementation of critical Wall Street reforms to increase market transparency and integrity, reduce risks to the economy and protect consumers, and will unacceptably increase the risk of fraud and manipulation in the $30 trillion futures and $250 trillion swaps markets.

GIPSA Marketing Rule

The Administration strongly opposes a provision in the Committee bill that effectively prevents USDA's Grain Inspection, Packers and Stockyards Administration(GIPSA) from further implementing the remaining portions of a rule on conduct violations of the Packers and Stockyards Act of 1921. This provision would rescind many components of the rule that was finalized in December 2011 preventing its full implementation, which is needed to clarify conditions for industry compliance with the Packers and Stockyards Act and provide for a fairer marketplace.

Civilian Pay Raise

The Administration urges the Congress to support the proposed 1.0 percent pay increase for Federal civilian employees. As the President stated in his FY 2014 Budget, a permanent pay freeze is neither sustainable nor desirable.

The Administration looks forward to working with the Congress as the FY 2014 appropriations process moves forward.

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