



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

July 22, 2013
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2610 — Transportation, Housing and Urban Development, and Related Agencies
Appropriations Act, 2014
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 2610, making appropriations for the Departments of Transportation, Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2014, and for other purposes. The bill severely undermines critical investments in economic and community development programs that drive local innovation, while also significantly reducing resources for public improvements, air traffic control infrastructure, affordable housing, as well as public services for low- to moderate-income families. If the President were presented with H.R. 2610, his senior advisors would recommend that he veto the bill.

In addition, enacting H.R. 2610, 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 three 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. 2610 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.

Department of Transportation (DOT)

Transportation Investment Generating Economic Recovery (TIGER) Grants. The Administration strongly opposes the elimination of funding for TIGER Grants. This competitive grant program is critical in helping communities around the country leverage their own resources to complete critical transportation projects. This program has been oversubscribed since its inception because TIGER Grants fund multimodal projects that are meritorious but can be difficult to fund within the current stove-piped financing structures. Further, the \$237 million rescission of FY 2013 funding included

in the Committee bill would dramatically disrupt DOT's execution of the ongoing TIGER grant-making process, and could necessitate the withdrawal of awards to current grantees.

Federal Aviation Administration (FAA) Operations. The Administration appreciates the Committee's efforts to prioritize FAA Operations funding. However, the Administration urges the Congress to fund FAA Operations at the level of the request of \$9.7 billion, which allows the agency to hire in order to keep pace with attrition in its aviation safety and controller workforce.

FAA Facilities, Equipment, and NextGen. The Administration strongly opposes the \$623 million reduction below the FY 2014 Budget request for the facilities and equipment account in the Committee bill. The funding level in the bill is roughly equal to the FY 2000 appropriated level. This reduction would significantly slow, if not terminate, several aspects of FAA's maintenance of current facilities, equipment, and the modernization of the Nation's air traffic control system through NextGen. The Committee bill specifically identifies reductions to critical infrastructure programs, such as back-up electrical power systems, which are essential for maintaining reliable and safe control of airspace during commercial power outages like those experienced as a result of Hurricane Sandy, and would require a nearly \$400 million reduction to NextGen from the \$1 billion requested in the FY 2014 Budget.

National Railroad Passenger Corporations (Amtrak). The Administration strongly opposes the funding level included in the Committee bill for Amtrak. The \$350 million provided for Amtrak operations and \$600 million for Amtrak Capital and Debt service do not sufficiently fund these important activities. These reductions to Amtrak funding, which has long been underfunded, will cause significant delays in much needed capital investments and will result in deteriorated performance, especially in the Northeast Corridor, where ridership is at an all-time high.

High Speed Rail. The Administration objects to the prohibition on funding for the California High Speed Rail project. The California High Speed Rail project, which was approved by California voters as well as the California State Legislature, will spur job creation, decrease California's footprint distance, reduce the amount of energy used per person, and will reduce greenhouse gas emissions.

Federal Transit Administration (FTA) Capital Investment (New Starts) Grants. The Administration urges the Congress to provide the requested funding level of \$1.98 billion proposed in the FY 2014 Budget and to allow FTA to retain the \$151 million in unallocated and unobligated funds for New Starts. While the level in the Committee bill would provide funds for all existing grant agreements, it only provides funding for the new Small Starts projects recommended in the Budget, halting the pipeline for any new construction on larger New Starts or Core Capacity projects.

Department of Housing and Urban Development (HUD)

Core Rental Assistance. The Administration strongly opposes the \$3.0 billion reduction to HUD's core rental assistance programs: Housing Choice Vouchers; Project-Based Rental Assistance; and Public Housing. The bill provides \$33.8 billion, which is 8 percent below the FY 2014 Budget request. The Committee bill would support approximately 125,000 fewer housing vouchers for very low-income families, and would again require HUD to short-fund contracts with private housing owners and reduce payments to public housing authorities.

Homeless Assistance Grants. The Administration urges the Congress to provide the FY 2014 Budget request for Homeless Assistance Grants, which funds a variety of intervention programs that

serve homeless and at-risk individuals and families. The Administration opposes the funding level provided for Homeless Assistance Grants, which is \$293 million, or 12 percent, below the FY 2014 Budget request. At this level, HUD would not be able to renew all existing grants that provide housing and shelter for the homeless, which would impact more than 86,000 homeless and formerly homeless households, including many veterans.

Choice Neighborhoods. The Administration strongly objects to the \$120 million rescission included in the bill for the Choice Neighborhoods program, and urges the Congress to provide the \$400 million requested in the FY 2014 Budget. Without this funding, public housing authorities and other local entities will have limited resources to support the revitalization of distressed HUD-assisted housing and to build ladders of opportunity for low-income families by improving economic development, creating jobs, and helping residents access educational opportunities in the surrounding neighborhoods.

Community Development Block Grants (CDBG) and Related Programs. The Administration strongly opposes the \$1.7 billion funding level provided for the CDBG program, which would have significant impacts on State and local resources for public improvements, infrastructure, affordable housing, and public services for low to moderate income families. The Administration also strongly opposes the lack of funding for Integrated Planning and Investment Grants and the new Neighborhood Stabilization Initiative. The Administration urges the Congress to support these programs at the requested levels to invest in regional and local planning efforts and to support neighborhoods still feeling the effects of the foreclosure crisis. In addition, the Administration objects to the level of funding for the HOME Investment Partnerships Program, which is \$250 million below the Budget request. The Administration urges the Congress to support this program at the requested level in order to increase the supply of affordable housing.

Housing Counseling. The Administration opposes the reductions included in the Committee bill for counseling programs in HUD and the Neighborhood Reinvestment Corporation of \$39 million, or 30 percent, below the Administration's request. While the housing market has improved, there are still many households facing the aftermath of the financial crisis and counseling is an important resource in helping households find affordable and stable housing.

Housing Opportunities for People Living with AIDS (HOPWA). The Administration strongly opposes the \$29 million reduction to HUD's program to provide housing for people living with HIV/AIDS. The bill provides \$303 million, which is 9 percent below the FY 2014 Budget request. In the face of the ongoing domestic HIV epidemic, this cut would result in nearly 5,000 people losing housing services, severely affecting the health of homeless and marginally housed people living with HIV/AIDS and increasing treatment costs.

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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