



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

June 17, 2014
(Senate)

STATEMENT OF ADMINISTRATION POLICY

Senate Amendment to H.R. 4660 – Commerce, Justice, Science, and Related Agencies Appropriations Act, 2015

(Sen. Mikulski, D-MD)

The Administration supports Senate passage of the Senate Amendment to H.R. 4660, making appropriations for the Departments of Commerce and Justice, Science, and Related Agencies for the fiscal year ending September 30, 2015, and for other purposes. The Senate Amendment to H.R. 4660 supports areas critical to the Nation's economic growth, security, and competitiveness in the global marketplace.

The Administration looks forward to working with the Congress on an orderly appropriations process that supports economic growth, opportunity, and our national security while avoiding unnecessary fiscal crises that hold the Nation's economy back. This process should include reconciling funding levels for individual appropriations bills to promote economic growth and national security, and passing bills without ideological provisions that would undermine an orderly appropriations process. The Congress should not use the Senate Amendment to H.R. 4660 to advance ideological riders, which the President has made clear are unacceptable.

The President's fiscal year (FY) 2015 Budget provides a roadmap for making investments to accelerate economic growth, expand opportunity for all hard-working Americans, and ensure our national security, while continuing to improve the Nation's long-term fiscal outlook. At the same time, the Budget takes key steps to both continue and enhance the Administration's efforts to deliver a Government that is more effective, efficient, and supportive of economic growth.

The President's Budget adheres to the FY 2015 spending levels agreed to in the Bipartisan Budget Act (BBA) and shows the choices the President would make at those levels – including investments in research and development that will grow the economy and enable America to remain the world leader in innovation. The levels agreed to in the BBA are already below FY 2007 funding levels adjusted for inflation and are not sufficient—either in FY 2015 or beyond—to ensure the Nation is achieving its full potential. For that reason, the Budget includes a fully paid for Opportunity, Growth, and Security Initiative—evenly split between defense and non-defense priorities—that presents additional investments to grow the economy, expand opportunity, and enhance security.

The Administration appreciates the Committee support for many of the key priorities requested in the FY 2015 Budget request, and would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Division 1 – Commerce, Justice, Science, and Related Agencies

Department of Commerce

National Oceanic and Atmospheric Administration. The Administration supports the Committee's funding for the National Weather Service, critical weather satellites, and ocean stewardship, including regional coastal resilience grants. The Administration urges the Congress to support high priority climate research and data collection, which is critical to helping the Nation better understand, monitor, and prepare for the impacts of climate change.

International Trade Administration. The Administration appreciates the Committee's support for SelectUSA and the Interagency Trade Enforcement Center. The funding provided will help promote job-creating business investment in the United States and ensure a level playing field for U.S. businesses overseas.

Periodic Censuses and Programs. The Administration is deeply concerned that the bill does not provide adequate funding for the Census Bureau to produce robust economic and demographic data, or sufficiently prepare for the 2020 Decennial Census. The President's requested funding level would save billions of dollars over the next five years by enabling the Census Bureau to conduct the necessary research, testing, and early implementation activities that are needed to contain costs in conducting the 2020 Census.

National Institute of Standards and Technology. The Administration appreciates that the Committee provides the FY 2015 Budget request for the Manufacturing Extension Partnership, Advanced Manufacturing Technology Consortia, and Lab-to-Market Technology Transfer. These programs will help create jobs while enhancing the competitiveness and innovative capacity of the United States. To further strengthen U.S. manufacturing, the Administration urges the Congress to provide the additional funds requested in the FY 2015 Budget for coordination of existing and future manufacturing innovation institutes as part of a National Network of Manufacturing Innovation.

Department of Justice

State and Local Assistance Programs. The Administration supports the Committee's overall funding level for State and Local Assistance Programs, including for the Now is the Time Comprehensive School Safety Program and for Community Teams to Reduce the Sexual Assault Kit Backlog.

Mutual Legal Assistance Treaty (MLAT) Process Reform. The Administration appreciates the Committee's support for MLAT process reform, which is critical to investigating crimes, working with foreign partners, and prosecuting terrorists and other criminals. This funding will provide for an updated, improved, and accelerated process to handle foreign governments' requests for evidence as well as enhance mutual relationships.

General Legal Activities. The Administration urges the Congress to provide the FY 2015 Budget request for activities that support important national priorities including those related to criminal, civil, civil rights, tax, and environmental enforcement.

Guantánamo Detainee Restrictions. The Administration strongly objects to sections 528 and 529, which would prohibit the use of funds for the transfer of detainees to the United States and for the construction, acquisition, or modification of any facility to house Guantánamo detainees in the United States. The President has repeatedly objected to the inclusion of these and similar provisions in prior legislation and has reiterated his call to the Congress to lift the restrictions. As the President said in his State of the Union Address, "this needs to be the year Congress lifts the remaining restrictions on detainee transfers and we close the prison at Guantánamo Bay." Operating the detention facility at Guantánamo weakens our national security by draining resources, damaging our relationships with key allies and partners, and emboldening violent extremists. These provisions are unwarranted and threaten to interfere with the Executive Branch's ability to determine the appropriate disposition of detainees and its flexibility to determine when and where to prosecute Guantánamo detainees based on the facts and circumstances of each case and our national security interests. Section 528 would, moreover, violate constitutional separation-of-powers principles under certain circumstances.

Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) Gun Riders. The Administration strongly opposes language in the bill that severely inhibits ATF's ability to combat illegal gun trafficking and protect the public. This includes the requirement that ATF authorize the importation of certain "curio and relic" firearms simply because of their age and regardless of the danger they may pose; and the prohibition against ATF denying an application to import particular models or configurations of a shotgun that do not meet the statutory "sporting purposes" test. In addition, the Administration urges the Congress to repeal a number of provisions made permanent in prior years, including a prohibition against requiring firearms dealers to conduct physical inventories and a prohibition on changing the definition of "curio and relic" firearms.

Executive Office of the President

Office of the U.S Trade Representative (USTR). The Administration appreciates the \$2.4 million increase over the FY 2014 enacted level, but urges the Congress to provide the FY 2015 Budget request of \$56.2 million for USTR. The \$1.2 million reduction would limit USTR's ability to conduct major trade negotiations, enforce trade agreements, and pursue new and existing trade disputes.

National Aeronautics and Space Administration (NASA)

Commercial Crew Program. The Administration appreciates the Committee's support for the Commercial Crew program, but has concerns about language that would seek to apply accounting requirements unsuitable for a firm, fixed-price acquisition, likely increasing the program's cost and potentially delaying its schedule.

Space Technology Program. The Administration is concerned that the bill does not provide the FY 2015 Budget request for the Space Technology program. Space Technology is needed to reduce the cost and increase the long-term capability of NASA, other Government, and commercial space activities.

Future Science Missions. The Administration appreciates the Committee's support for science missions, but is concerned about prematurely specifying elements of future missions while the

missions are in a very early state of development. In particular, the Administration believes the Committee's proposed approach to a follow-on Landsat mission is not feasible within the bill's proposed cost cap of \$650 million, and that it is premature to designate the Space Launch System as the launch vehicle for a Europa mission before the costs and benefits of such a choice are understood.

National Science Foundation (NSF)

The Administration supports the Committee's funding of NSF's top line at the requested level of \$7.3 billion. NSF invests in important research and education and lays the foundation for economic growth.

Legal Services Corporation (LSC)

The Administration appreciates the Committee's support for LSC, but urges the Congress to fully fund the FY 2015 Budget request of \$430 million. At the lower funding level, thousands of low-income Americans, including many military families and veterans, would be denied assistance with civil legal problems, impacting their ability to receive fair treatment in the courts.

Constitutional Concerns

Other provisions in the bill, including sections 509, 519, and 527, would also raise constitutional concerns in certain applications by intruding upon the President's constitutional authority over international diplomacy. The Administration looks forward to working with the Congress to address these concerns.

Division 2 – Transportation, Housing and Urban Development, and Related Agencies

Department of Transportation (DOT)

Surface Transportation Funding. The Administration looks forward to working with the Congress to enact the GROW AMERICA Act proposal. This legislative proposal would provide \$302 billion over four years for highways, transit, highway safety, and rail program, as well as for Transportation Investment Generating Economic Recovery (TIGER) grants, and is paid for by pro-growth business tax reforms. While the bill maintains current levels of funding for vital transportation programs, necessary improvements to the Nation's transportation network cannot be made by freezing obligation limitations for highway, transit, and highway safety at the FY 2014 authorized levels. A robust, multi-year authorization is essential to providing States and municipalities with the long-term funding to make investments in transportation improvements that grow the economy and serve U.S. citizens.

National Infrastructure Investments. The Administration appreciates the Committee's funding of TIGER grants at a level that would continue to support innovative projects across the Nation. The bill clearly demonstrates the Committee's commitment to continuing transformative multimodal projects around the Nation.

Safe Transport of Energy Products. The Administration appreciates the Committee's targeted funding increases for the Federal Railroad Administration, which would lead to improvements in

the safety of crude oil transport by rail. Specifically, the bill provides increases designed to bolster the oversight of railroads' adherence to Federal safety standards, enhance the quality of information on accident risk, and improve training and coordination among agencies, railroads, and emergency responders. For the Pipeline and Hazardous Materials Safety Administration, the Administration appreciates that the Committee provides the requested funding level of \$52 million for the Hazardous Materials Safety account. It is a step toward funding the additional research, training, and outreach associated with the recent surge in oil and natural gas transportation.

Federal Transit Administration Capital Investment (New Starts) Grants. The Administration appreciates the Committee's strong support for New Starts. By continuing to fund projects including the building of new fixed guideway systems or extensions and improvements to existing fixed guideway systems, the Committee is helping meet Americans' demand for transit, and investing in systems which help move an increasing number of people to home or work safely.

Infrastructure Permitting Center. The Administration is concerned that the Committee did not provide the requested funding level for the interagency permitting center, which is essential to modernizing and streamlining the Federal permitting and review process, reducing the time it takes to start infrastructure projects while improving outcomes for the environment. The funding requested in the FY 2015 Budget supports key reforms in the Administration's comprehensive plan announced by the President last month. The plan includes 15 reforms and nearly 100 actions to significantly improve Federal permitting to accelerate economic growth, expand opportunity, and improve the competitiveness of the American economy. Expanding and institutionalizing permitting reform Government-wide to build a 21st Century infrastructure is also a critical component of the President's Management Agenda, aimed at improving the efficiency and effectiveness of the Federal Government.

Motor Carrier Safety. The Administration strongly opposes language in the bill that would suspend the enforcement of specific provisions in the Federal Motor Carrier Safety Administration's hours of service rule. Specifically, the amendment to the bill would suspend the enforcement of the rule's "restart" provision, effectively boosting the number of hours a truck driver could work from the 70 hour maximum average on the books today, to 82 hours a week. The current hours of service rules have been sought by the National Transportation Safety Board for many years and are now serving to prevent an additional estimated 1,400 crashes, 560 injuries, and save 19 lives a year by reducing the risk of fatigue related crashes, as fatigue remains a lead factor in the 300,000 crashes that occur each year. The Administration also opposes provisions that change existing truck safety rules including restrictions on the modification of insurance requirements and the permissible size and weight of trucks operating on Federal highways. Pursuant to the provisions of the Moving Ahead for Progress in the 21st Century Act (MAP-21), the Department of Transportation is currently conducting a comprehensive truck size and weight limits study. Any reconsideration of size and weight limits should be done on a comprehensive basis with full consideration of the infrastructure and safety impacts as informed by the MAP-21 study.

Department of Housing and Urban Development (HUD)

Housing Choice Vouchers. The Administration appreciates the Committee's support for the

Housing Choice Voucher program administrative fees, which will ensure that Public Housing Authorities can ensure that units are safe and habitable. However, the Administration is deeply concerned about the funding level provided for the Vouchers program. The amount in the bill is insufficient to provide the same level of assistance to families as in 2014 and would not restore the funding reduction from sequestration.

Homeless Assistance Grants. The Administration strongly opposes the funding level provided in the bill for Homeless Assistance Grants, which is \$261 million below the FY 2015 Budget request, and would not allow for the development of new permanent supportive housing as part of the Administration's efforts to end chronic homelessness in 2016.

Choice Neighborhoods. The Administration appreciates the Committee's support for Choice Neighborhoods, and urges the Congress to fully fund the program at the FY 2015 Budget request level of \$120 million. Choice Neighborhoods provides critical support to revitalize distressed HUD-assisted housing and build ladders of opportunity for low-income families by improving economic development, creating jobs, and increasing access to high-quality schools and education programs in surrounding communities.

Rental Assistance Demonstration (RAD). The Administration supports the Committee's funding level for RAD, including its expansion to 185,000 units. RAD preserves critically needed Public Housing by converting it to long-term Section 8 contracts that can leverage private financing for capital improvements.

HOME Investment Partnerships Program. The Administration strongly supports the Committee's funding level for the HOME program, which is funded at the FY 2015 Budget request. This program is critical for increasing the supply of affordable housing for low-income families.

Federal Housing Administration (FHA) Administrative Expense. The Administration appreciates the Committee's support for enhanced management by FHA and encourages the Congress to provide the full \$170 million request for this activity. The Administration also appreciates the Committee's inclusion of new fee authority that would provide offsetting collections credited against FHA administrative spending. FHA insures a portfolio of over \$1 trillion in mortgages and increased resources would improve risk management and limit claim costs.

Housing Counseling. The Administration appreciates the Committee's support for Housing Counseling and encourages the Congress to provide the full \$60 million request for this activity. The requested funding level in the FY 2015 Budget would help a large number of low-income households navigate a dynamic housing market to achieve sustainable homeownership, avoid homelessness, or find quality affordable rental housing.

Division 3 – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

U.S. Department of Agriculture

Child Nutrition. The Administration appreciates the Committee's continued support for science-based nutrition standards for children. School nutrition standards are developed by independent

experts, over 90 percent of schools report that they are successfully implementing them, and studies show they are working to help improve children's health. The Administration strongly opposes the inclusion of any language in the bill that would override science-based standards that improve child nutrition.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Food Package.

The Administration understands that the objective of the language in the bill that would require the inclusion of white potatoes in the WIC food package, pending further scientific review, is intended to preserve the science-based review process used to determine which foods should be included in the WIC food package. The Administration strongly opposes the inclusion of any language in the bill that would override science-based standards that improve child nutrition.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The Administration appreciates that the Committee provides sufficient funding to serve all projected WIC participants for FY 2015. The Administration also supports the bill's provision of \$150 million in contingency funds to ensure that the program has sufficient resources to meet unexpected changes in participation.

Child Nutrition School Equipment Grants. The Administration appreciates the Committee's continued support of school meals equipment grants, but urges the Congress to fully fund the FY 2015 Budget request of \$35 million to help school districts purchase the equipment needed to serve healthier meals, improve food safety, expand access to meals, and improve energy efficiency.

Healthy Food Financing Initiative (HFFI). The Administration is concerned that the Committee did not provide the requested \$13 million for the HFFI program, which was authorized in the most recent Farm Bill. This program would be used to support increased access to healthy foods in underserved areas, create and preserve quality jobs, and to revitalize low-income communities.

Food Aid Reform. The Administration appreciates the bill's support for P.L. 480 Title II food aid and retention of the reforms passed in FY 2014, but is concerned that the bill excludes proposed food aid reforms that would help two million more people in crises without additional resources. At a time when major food crises are increasing, including those in South Sudan and Syria, the proposed reforms to allow more cost-effective, flexible emergency food aid are critical.

National Institute of Food and Agriculture. The Administration is concerned that the Committee included no funding to support the three research innovation institutes, as requested in the FY 2015 Budget, and recommended by the President's Council of Advisors on Science and Technology. These institutes would provide competitive grants to support public-private cooperation for pollinator health research, bio-based advanced manufacturing, and anti-microbial resistance, all of which are important issues facing the Nation.

Farm Service Agency (FSA). The Administration is disappointed by the bill language that prohibits closure of FSA county offices. The Administration is also disappointed that the Committee has reduced the FY 2015 Budget request by \$33 million for the MIDAS information technology initiative as it is a critical part of FSA's modernization process.

Rental Assistance Grant Program. The Administration appreciates that the Committee fully funds Rental Assistance Grants at \$1.1 billion. The Administration encourages the Congress to

adopt the funding flexibilities proposed in the FY 2015 Budget in order to improve the management and efficiency of the program.

Summer Electronic Benefit Transfer (EBT) Demonstration. The Administration urges the Congress to fund summer EBT pilots, consistent with the FY 2015 Budget request. These pilots are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

Department of Health and Human Services – Food and Drug Administration (FDA)

User Fees. The Administration appreciates the Committee mark for FDA, but continues to support new proposed user fees that would provide vital resources to enhance FDA's capacity to support a prevention-based food safety system. The Congress is urged to enact these user fees as proposed in the FY 2015 Budget request.

The Administration looks forward to working with the Congress as the FY 2015 appropriations process moves forward.

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