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

APPENDS -
UNCLUD

September 8, 1999
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

**H.R. 2684 – DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND
URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS
BILL, FY 2000**

(Sponsors: Young (R), Florida; Walsh (R), New York)

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This Statement of Administration Policy provides the Administration's views on the Veterans, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 2000, as approved by the House Committee. Your consideration of the Administration's views would be appreciated.

The allocation of discretionary resources available to the House under the Congressional Budget Resolution is simply inadequate to make the necessary investments that our citizens need and expect. The President's FY 2000 Budget proposes levels of discretionary spending that meet such needs while conforming to the Bipartisan Budget Agreement by making savings proposals in mandatory and other programs available to help finance this spending. Congress has approved and the President has signed into law nearly \$29 billion of such offsets in appropriations legislation since 1995. The Administration urges the Congress to consider such proposals as the FY 2000 appropriations process moves forward.

The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within its 302(b) allocation. However, the Committee bill is \$2.2 billion below the program level requested. In order to meet this allocation, the Committee has eliminated the Corporation for National and Community Service as well as made deep cuts to the National Aeronautics and Space Administration, the Department of Housing and Urban Development, the Environmental Protection Agency's Operating Program, the National Science Foundation, the Federal Emergency Management Agency, the Selective Service System, and other Administration priorities.

The Administration strongly opposes the Committee's action to terminate the Corporation for National and Community Service. Eliminating funding for the Corporation would deny over 1.4 million young Americans the opportunity to provide vital community services and become better citizens as participants in the Corporation's AmeriCorps (66,000 participants) and Learn and Serve (1.4 million participants) programs. If the final bill presented to the President were to provide inadequate funding for the Corporation for National and Community Service, his senior advisers would recommend that the President veto the bill.

The Committee bill would adversely affect the environment and natural resources, undermine investments in our future through science and technology, limit our ability to help families struggling to work their way out of poverty to find affordable housing, inadequately fund the Corporation for National and Community Service, and adversely affect our ability to fund unforeseen disasters properly. The Committee bill also includes objectionable language provisions. The Administration urges the House to strike these provisions and to keep the bill free of additional riders. For these reasons, if the bill were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.

The Committee has approved a \$4 billion reduction in the 302(b) allocation for the Labor/HHS/Education appropriations bill in order to reallocate funds to the VA/HUD/Independent Agencies and other appropriations bills. Such an action is irresponsible and underscores the fact that the broader budget plan that the Appropriations Committees are being forced to operate under is simply unworkable.

The attachment provides a discussion of our specific concerns with the Committee bill. We look forward to working with the House to address our mutual concerns.

Attachment

Attachment
(House Floor)

**DEPARTMENT OF VETERAN AFFAIRS/HOUSING AND URBAN DEVELOPMENT/
INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 2000**
(AS REPORTED BY THE HOUSE COMMITTEE)

Corporation for National and Community Service

The Administration is deeply concerned that the Committee bill would terminate the Corporation for National and Community Service, including the AmeriCorps program. In FY 2000, the Committee bill would deny 66,000 youth the opportunity to address pressing education, public safety, and human and environmental needs while earning money to attend college through participation in AmeriCorps. This action would terminate the President's goal of reaching 100,000 AmeriCorps participants a year by FY 2002. In addition, in FY 2000, the bill would prevent 1.4 million students from participating in service-learning programs that provide substantial academic and social benefits, including the opportunity to learn responsible citizenship. The Administration strongly urges the House to fully fund the Corporation at the requested level of \$549 million.

National Aeronautics and Space Administration

The Administration strongly opposes reductions to the President's request for the National Aeronautics and Space Administration (NASA) totaling over \$900 million (over \$1 billion including earmarks). If enacted, these reductions would jeopardize U.S. leadership and competitiveness in space by decimating key elements of the Nation's space program, requiring the largest restructuring of NASA since the end of the Apollo program. These reductions would likely result in the cancellation or deferral of over 30 space missions and could ultimately result in the closure of NASA Centers and the elimination, through forced separations, of critical technical skills uniquely possessed by NASA. The ultimate effect would be the loss of programs that could enable scientific and technical breakthroughs.

In addition, the Administration is concerned about the large number of unrequested, site-specific earmarks, which would have the effect of circumventing the competitive, peer-review process. This \$123 million in unrequested earmarks would worsen the impact of the reductions made to higher priority programs. The Administration is particularly concerned with the following:

- Space Science. The Administration strongly opposes the Committee's decision to cut the President's request for Space Science by \$241 million, a reduction of eight percent below the FY 1999 enacted level, which would be the largest reduction ever made. This reduction would devastate the NASA Space Science program, which has been the source of countless breakthroughs, scientific discoveries, and inspiration for hundreds of millions of Americans and people around the world. In particular, the reductions would likely result in the termination or deferral of over 15 space missions, including the Contour comet mission; the Pluto/Kuiper mission; all future missions in the Sun-Earth Connection program and the Structure and Evolution of the Universe program; and, all future missions in the Explorer and Discovery programs. These reductions would also necessitate the cancellation of 500-600 university grants affecting nearly every State, undermining an entire generation of U.S. space scientists and engineers and jeopardizing the very types of capabilities we need to compete in the next century.
- Earth Science. The Administration strongly opposes the reduction of \$285 million to the request for Earth Science, which would reduce the program to a level 17 percent below the FY 1999 enacted level. This reduction would terminate NASA's Earth Observing System (EOS) Follow-on programs, Triana, GLOBE, and the Earth System Science Pathfinder program. The loss of these missions would jeopardize important efforts to establish long-term trends in the climate system, enabling reliable forecasts of El Nino; predictions of seasonal, regional temperature and precipitation for agriculture; longer warning times for severe storms and hurricanes; and, land cover and topography assessments for flood hazard prediction, forest management, and urban and transportation planning. The reductions to the Technology Infusion program would harm opportunities to lower the cost of future missions.
- Human Space Flight. The Administration opposes the Committee's reduction of \$250 million to the request, or two percent below the FY 1999 enacted level, for human space flight. This reduction would delay the Administration's efforts to improve safety in the Space Shuttle program and would also result in fewer Shuttle flights and a delay in the International Space Station (ISS) assembly sequence. A delay to ISS would undercut NASA's efforts to control the total cost of ISS and would reduce opportunities to conduct life and microgravity research in space.
- Mission Support. The Administration opposes the Committee's recommended reduction of \$226 million to the request (10 percent below FY 1999 enacted) for Mission Support. This reduction would result in deferral of all Construction of Facilities projects to maintain existing NASA facilities safely; require a furlough and/or reduction in force; and, eliminate workforce hiring needed to revitalize the current NASA workforce.

Environmental Protection Agency

The Administration appreciates the Committee's effort to fully fund the Clean Water Action Plan, the Brownfields initiative, and the Children's Environmental Health Initiative.

The Administration has several major concerns with the funding provided for the Environmental Protection Agency (EPA) in the Committee bill. In particular, the Administration strongly opposes the \$195 million reduction to the request for EPA's Operating Program, which is the backbone of the Nation's environmental protection efforts. The Administration also strongly opposes the Committee's reductions of \$111 million in EPA's request for the Climate Change Technology Initiative (CCTI) and \$35 million in requested funding for personnel costs, which would require reducing EPA staff by more than 400 positions and severely hamper efforts to protect public health and the environment. Such a personnel reduction would severely limit environmental efforts and prevent EPA from undertaking initiatives designed to improve the quality of the Nation's air, water, and food supply.

The Administration objects to the severe reduction in funding for the new Clean Air Partnership Fund, which would provide grants to State and local governments for innovative projects that reduce multiple pollutants, such as air toxics, pollutants that produce soot and smog, and greenhouse gases. In addition, the Administration opposes the \$50 million cut to the request for the Drinking Water State Revolving Fund program, which funds drinking water improvements to protect public health. The Administration opposes the Committee's \$50 million reduction to the request for the Superfund program, which under this Administration has operated at a record pace to clean up toxic waste dumps. This reduction would needlessly jeopardize the public health for citizens living near affected sites. The Administration also objects to the Committee's proposal to finance half of the appropriation from general revenue. Such financing is contrary to the "polluter pays" principle and would be unfair to the general public, who would be forced to pay for the irresponsible actions of polluters.

The Administration objects to the exceptionally high number of earmarked projects included in the Committee bill for EPA, and the corresponding reduction or elimination of several high-priority environmental programs and initiatives: EPA's Operating Program, CCTI, and the Drinking Water State Revolving Fund; as well as the Mexican border wastewater treatment funding program, the Montreal Protocol, and Sustainable Development Challenge Grants. We will work with the Congress to restore requested funding as the bill moves forward, and we urge the reduction of unrequested funding and of lower-priority projects.

The Administration strongly opposes bill and report language relating to the Kyoto Protocol. The language could be interpreted broadly to prevent activities that limit greenhouse gases either voluntarily or under existing authority -- for example, through enhancing energy efficiency -- but that are not undertaken to implement the Kyoto Protocol. This is a cumbersome restriction that both breaches the agreement reached last year on this issue and is unnecessary, given the Administration's intent not to implement the Protocol until it is ratified by the Senate.

The Administration also opposes bill and report language that could delay EPA's resolution of claims under the 1964 Civil Rights Act. These and other legislative authorizations are inappropriate in appropriations bills and deny the public and Members of Congress the opportunity to examine and debate these proposals openly. The Administration urges the House to remove the unduly restrictive language.

Department of Housing and Urban Development

The Committee bill provides \$26.1 billion for the Department of Housing and Urban Development (HUD), an overall reduction from the President's request of \$2 billion. Such severe reductions would eliminate most of the \$2.5 billion increase that the President has requested to help families and communities in need. In addition, the bill would not provide critically needed help to low-income Americans who have been left behind on America's road to prosperity. The Administration urges the House to restore this needed funding.

The Committee bill fails to fund the Administration's request for 100,000 incremental rental assistance vouchers, including 25,000 vouchers to help families moving from welfare to work who need to move closer to their new job, at a time when a record 5.3 million low-income households in this country spend over 50 percent of their income on rent. Reductions made by the Committee would also increase physical problems within public housing due to a six-percent cut in public housing operating subsidies, which would result in tens of thousands of additional public housing units developing moderate or severe physical problems due to inadequate maintenance. A decrease in funding would only increase the rate of deterioration and accumulation of needs over time. In addition to providing requested funding for rental assistance vouchers and public housing operating subsidies, the House is encouraged to fully fund the Partnership for the Advancement of Technology in Housing program, Drug Elimination efforts in public housing, and Brownfields Redevelopment.

The Administration urges the House to fund the following initiatives to help distressed communities: Regional Empowerment Zones, America's Private Investment Companies (APIC), Redevelopment of Abandoned Buildings, and Regional Connections. The Administration urges restoration of funding for these key programs to help communities and those most in need.

The bill would cut the Community Development Block Grant program (CDBG) and other housing and economic activity by \$275 million. As a result, about 33,000 fewer people would receive housing rehabilitation, construction, and homebuyer assistance. About 10,000 fewer jobs would be created by CDBG. The bill would also cut homeless funding by five percent, or \$55 million, from the Administration's request. As a result, 43,000 homeless persons, including 15,000 homeless children, would be denied desperately needed services. Over 30,000 homeless people would lose access to short-term emergency services.

The Committee bill would reduce funding for fair housing programs by 20 percent, or \$10 million, from the Administration's request. The requested level of \$47 million would enable HUD to expand significantly its activities aimed at reducing the level of housing discrimination nationwide, including fully funding the second year of a critical, audit-based enforcement initiative to measure the level of discrimination in 60 communities nationwide over three years.

Finally, the Committee would cut HUD's operating budget by more than four percent. This reduction would severely restrict HUD's ability to inspect properties, restructure loans, reform the monitoring systems, and develop statutorily required estimates that are essential to subsidy programs and are the foundation of HUD's 2020 Reform.

Community Development Financial Institutions Fund

The Administration strongly opposes the Committee's decision to fund the Community Development Financial Institutions Fund (CDFI) at \$70 million, \$55 million below the request and \$25 million below FY 1999. Compared to the requested level, this would result in approximately 58 fewer banks and 76 fewer CDFIs receiving grants and would severely reduce the Fund's ability to provide and leverage investments, loans, technical assistance, and financial services in the country's most distressed communities.

National Science Foundation

The Administration strongly opposes the Committee's \$275 million reduction to the President's request for the National Science Foundation (NSF), a reduction that would bring overall funding to a level \$24 million below the FY 1999 enacted level. The President's request for discretionary spending supports 6.8 percent growth in the NSF, while the Committee has actually cut funding for a key investment in America's future. This reduction would undermine the Nation's investment in discovery and education, which has fueled unprecedented economic growth for the past decade. The cuts would eliminate funding for almost 14,000 researchers and science and mathematics educators. The Administration strongly urges the House to support the President's request for all of the Foundation's science, engineering, and education activities. In particular, the Administration is very concerned with the following:

- Information Technology Initiative. The Committee would provide only \$35 million of the \$146 million request for the NSF component of the President's Information Technology for the 21st Century Initiative (IT2). IT2 responds to the President's Information Technology Advisory Committee finding that the Nation is under-investing in fundamental research in information technology. The Initiative would advance the field of information science, contribute to the strength and health of the private-sector information economy, and provide essential tools for spurring research and improvements in all areas of science and technology. The Administration also is concerned that the Committee has placed a higher priority on providing unrequested funding for the High-Performance Instrumented Airborne Platform for Environmental Research aircraft instead of funding terascale computing, thus not allowing the purchase of a powerful supercomputer that would expand significantly the computing capabilities available to the research community.
- Integrative Activities. The Committee would reduce by \$47 million requested funding for Biocomplexity research and the Opportunity Fund. These programs provide funding for innovative, multi-disciplinary research that could lead to significant discoveries in new and emerging fields of science and engineering.

Department of Veterans Affairs

The Administration is concerned about addressing the need to reduce waiting times, provide quality care, and realign an infrastructure that does not meet both the treatment and access needs of our Nation's higher-priority veterans. The Administration has indicated its support for additional funding but as noted earlier, it should be paid for from an acceptable source rather than by reducing essential programs. We look forward to working with the Congress on our proposal as the bill moves forward. In addition, we urge the House to address the following issues:

- The Committee bill provides the Veterans Benefit Administration (VBA) \$696 million for Administration and other General Operating Expenses, \$10 million below the President's request. This would hamper VBA's effort to replace "seasoned" adjudication staff, who are expected to retire soon. In addition, the eight-percent reduction to Other Departmental Administration would prompt an immediate reduction-in-force and significantly hamper services such as adjudication of veterans' claims by the Board of Veterans Appeals, cases represented before the U.S. Court of Appeals for Veterans' Claims by the General Counsel, and congressionally mandated activities such as program evaluation and actuarial activities.
- The Administration opposes the Committee's \$72.7 million reduction to the request for Minor Construction Projects and the failure to provide resources for the new Capital Assets Fund. These requests support the modification of the VA health system to meet current treatment and access needs as the system moves from a hospital-based to an out-patient-based system.

- The Administration opposes the reduction of \$4.7 million to the request for the Office of the Inspector General (IG). At a time when VA is aggressively reengineering its major programs, it is important that the IG have the funds necessary to focus on investigations, fraud, quality, and performance.
- The Administration objects to bill language that would deny or circumvent the management planning and prioritization processes within VA that are critical in ensuring that resources are directed nationwide to our Nation's top-priority veterans. This includes directing the Department not to collocate data centers and to plan, build, or enhance cemeteries in specific parts of the Nation.

Federal Emergency Management Agency

The Administration strongly opposes the Committee's \$2.5 billion reduction to the request for the Federal Emergency Management Agency's (FEMA) disaster relief fund. This reduction would hinder FEMA's ability to respond quickly and appropriately to disasters as they occur.

The Administration is concerned that the Committee has provided \$15 million less than requested for FEMA's Emergency Food and Shelter Program. Funding for this program has been frozen at \$100 million since FY 1996, when it was cut from its previous level of \$130 million. While the 10-percent increase provided by the Committee is helpful, this reduction from the President's request would prevent FEMA from providing almost four million meals and 600,000 shelter nights for less fortunate Americans needing food and shelter. The Administration appreciates the Committee's support of FEMA's mitigation programs but urges the House to provide the \$12 million requested for the National Flood Mitigation Fund and to restore the \$5 million reduction to the request for pre-disaster mitigation. FEMA's mitigation programs have been shown to reduce the costs of future disasters.

Consumer Product Safety Commission

The Administration is concerned with the Committee's \$3.5 million reduction to the President's request of \$50.5 million for the Consumer Product Safety Commission. This reduction would curtail Commission efforts to establish a new, applied product research program as well as reduce funding in other agency programs.

Selective Service System

The Administration understands that an amendment may be proposed to continue the Selective Service System. While the Administration has concerns with several of the offsets contained in the amendment, it supports efforts to restore full funding for the Selective Service System.

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

STATEMENT OF ADMINISTRATION POLICY

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*Appropriations -
VA/HUD*

August 4, 1999
(House Rules)

**H.R. 2684 - DEPARTMENT OF VETERANS AFFAIRS
AND HOUSING AND URBAN DEVELOPMENT,
AND INDEPENDENT AGENCIES APPROPRIATIONS
BILL, FY 2000**

(Sponsors: Young (R), Florida; Walsh (R), New York)

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The Administration appreciates efforts by the Committee to accommodate certain of the President's priorities within its 302(b) allocation. However, the Committee bill is over \$5.1 billion below the program level requested. In order to meet this allocation, the Committee has eliminated the Corporation for National and Community Service as well as made deep cuts to the National Aeronautics and Space Administration, the Department of Housing and Urban Development, the Environmental Protection Agency's Operating Program, the National Science Foundation, the Federal Emergency Management Agency, and other key Administration priorities.

The Administration strongly opposes the Committee's action to terminate the Corporation for National and Community Service. Through Corporation-supported projects, over 1.5 million participants work to address the Nation's unmet, critical needs. If the final bill presented to the President were to eliminate funding for the Corporation for National and Community Service, his senior advisers would recommend that the President veto the bill.

The Committee bill would adversely affect the environment and natural resources, undermine investments in our future through space science and technology, limit our ability to help families struggling to work their way out of poverty to find affordable housing, inadequately fund Corporation for National and Community Service, and adversely affect our ability to fund unforeseen disasters properly. The Committee bill

includes objectionable language provisions. The Administration urges the House to strike these provisions and keep the bill free of additional riders. For these reasons, if the bill were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.

The Administration understands that the Committee has approved a \$4 billion reduction in the 302(b) allocation for the Labor/HHS/Education appropriations bill in order to reallocate funds to the VA/HUD/Independent Agencies and other appropriations bills. Such an action is irresponsible and underscores the fact that the broader budget plan that the Appropriations Committees are being forced to operate under is simply unworkable.

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**DEPARTMENT OF VETERAN AFFAIRS
AND HOUSING AND URBAN DEVELOPMENT,
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BILL, FY 2000
(AS REPORTED BY THE HOUSE COMMITTEE)**

Corporation for National and Community Service

The Administration is deeply concerned that the Committee bill would terminate the Corporation for National and Community Service, including the AmeriCorps program. In FY 2000, the Committee bill would deny 66,000 youth the opportunity to address pressing education, public safety, and human and environmental needs while earning money to attend college through participation in AmeriCorps. In addition, the bill would prevent 1.4 million students from participating in service-learning programs that provide substantial academic and social benefits, including the opportunity to learn responsible citizenship. The Administration strongly urges the House to fully fund the Corporation at the requested level of \$549 million.

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In addition, the Administration is also concerned about the large number of unrequested, site-specific earmarks, which would have the effect of circumventing the competitive, peer review process. This \$122 million in unrequested earmarks would worsen the impact of the reductions made to higher priority programs. The Administration is particularly

concerned with the following:

- Space Science. The Administration strongly opposes the Committee's decision to cut the President's request for Space Science by \$241 million, a reduction of eight percent below the FY 1999 enacted level, which would be the largest reduction ever made. This reduction would devastate the NASA Space Science program, which has been the source of countless breakthroughs, scientific discoveries, and inspiration for hundreds of millions of Americans and people around the world. In particular, the reductions would likely result in the termination or deferral of over 15 space missions, including the Contour comet mission; the Pluto/Kuiper mission; all future missions in Sun-Earth Connection program and Structure and Evolution of the Universe program; and, all future missions in the Explorer and Discovery programs. These reductions would also necessitate the cancellation of 500-600 university grants affecting nearly every State, undermining an entire generation of U.S. space scientists and engineers and jeopardizing the very types of capabilities we need to compete in the next century.
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In addition, the Administration objects to the severe reduction of funding for the new Clean Air Partnership Fund, which would provide grants to State and local governments for innovative projects that reduce multiple pollutants, such as air toxics, pollutants that produce soot and smog, and greenhouse gases. The Administration opposes the Committee's \$50 million reduction to the request for the Superfund program, which under this Administration has operated at a record pace to clean up toxic waste dumps. This reduction would needlessly jeopardize the public health for citizens living near affected sites. The Administration also opposes the \$50 million cut to the request for the Drinking Water State Revolving Fund program, which funds drinking water improvements to protect public health.

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six-percent cut in public housing operating subsidies, which would result in tens of thousands of additional public housing units developing moderate or severe physical problems due to inadequate maintenance. A decrease in funding would only increase the rate of deterioration and accumulation of needs over time. The House is also encouraged to fully fund the Partnership for the Advancement of Technology in Housing program, Drug Elimination efforts in public housing, and Brownfields Redevelopment.

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Department of Veterans Affairs

The Administration is concerned about addressing the need to reduce waiting times, provide quality care, and realign an infrastructure that does not meet both the treatment and access needs of our Nation's higher-priority veterans. The Administration has indicated its intent to seek additional funding, with appropriate offsets. We look forward to working with the Congress on our proposal as the bill moves forward. In addition, we urge the House to address the following issues.

- The Committee bill provides the Veterans Benefit Administration (VBA) \$696 million for Administration and other General Operating Expenses, \$10 million below the President's request. This would hamper VBA's effort to replace "seasoned" adjudication staff, who are expected to retire soon. In addition, the eight-percent reduction to Other Departmental Administration would prompt an immediate reduction-in-force and significantly hamper services such as adjudication of veterans' claims by the Board of Veterans Appeals, cases represented before the Court of Appeals for Veterans' Claims by the General Counsel, and congressionally mandated activities such as program evaluation and actuarial activities.
- The Administration opposes the Committee's \$72.7 million reduction to the request for Minor Construction Projects and the failure to provide resources for the new Capital Assets Fund. These requests support the modification of the VA health system to meet current treatment and access needs as the system moves from a hospital-based to an out-patient-based system.
- The Administration opposes the reduction of \$4.7 million to the request for the Office of the Inspector General (IG). At a time when VA is aggressively reengineering its major programs, it is important that the IG have the funds necessary to focus on investigations, fraud, quality, and performance.
- The Administration objects to bill language that would deny or circumvent the management planning and prioritization processes within VA that are critical in ensuring that resources are directed nationwide to our Nation's top-priority veterans. This includes directing the Department not to consolidate data centers and to plan,

build, or enhance cemeteries in specific parts of the Nation.

Federal Emergency Management Agency

The Administration strongly opposes the Committee's \$2.5 billion reduction to the request for emergency contingent funding for the Federal Emergency Management Agency's (FEMA) disaster relief funds. This reduction will hinder FEMA's ability to respond quickly and appropriately to disasters as they occur. With the Y2K rollover date fast approaching, the reduction raises additional concerns about FEMA's ability to offer assistance in the event of unforeseen Y2K outages across the country.

The Administration is concerned that the Committee has provided \$15 million less than requested for FEMA's Emergency Food and Shelter Program. Funding for this program has been stagnant at \$100 million since FY 1996, when it was cut from its previous level of \$130 million. While the 10-percent increase provided by the Committee is helpful, this reduction from the President's request would prevent FEMA from providing almost four million meals and 600,000 shelter nights for less fortunate Americans needing food and shelter. The Administration appreciates the Committee's support of FEMA's mitigation programs but urges the House to provide the \$12 million requested for the National Flood Mitigation Fund and to restore the \$5 million reduction to the request for pre-disaster mitigation. FEMA's mitigation programs have been shown to reduce the costs of future disasters.

Consumer Product Safety Commission

The Administration is concerned with the Committee's \$3.5 million reduction to the President's request of \$50.5 million for the Consumer Product Safety Commission. This reduction would curtail Commission efforts to establish a new, applied product research program as well as reduce funding in other agency programs.

Selective Service System

The Administration continues to support the draft registration program of the Selective Service System as the third line of defense after the Armed Services and the Reserve and Guard units. The Committee's ill-advised termination of this low-cost insurance program would be particularly unfortunate at this time in light of the recruiting and readiness issues that we are addressing. The Administration believes that the House should send a strong signal to our foreign adversaries by restoring the President's budget request for the Selective Service System.

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