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THE WHITE HOUSE
WASHINGTON

March 9, 2000

The Honorable C.W. Bill Young
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

BUDGET -
'00 SUPP.

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the FY 2000 Emergency Supplemental Appropriations Bill. The Administration is pleased that the Committee has acted expeditiously on the President's supplemental requests to keep the peace and build stability in Kosovo, to support the Colombian government's fight against drug traffickers, to provide needed heating assistance for families that have been badly affected by increased oil prices, and to provide further assistance to the victims of Hurricane Floyd.

The Administration does, however, have a number of concerns with the current version of the bill. As the House Appropriations Committee develops its version of the bill, we ask that you consider the Administration's views.

Plan Colombia

The Administration appreciates the House Appropriations Committee's support for U.S. assistance to Plan Colombia. Colombia is the source of more than 90 percent of the cocaine and 65 percent of the heroin seized in the United States. Cutting off the drug supply at its source is an important component of America's overall counter-drug strategy, and Plan Colombia, President Pastrana's strategy to address Colombia's national security, socioeconomic, and drug-related problems, presents the United States with a window of opportunity to further the United States' interests and increase stability in South America. The Administration also appreciates the Committee's support for the important human rights, alternative development, and governmental reform initiatives in Colombia. Congress' timely support of this initiative will help to stem the flow of drugs into the United States and will further benefit the United States by bringing greater peace and prosperity to an important American ally.

Support for Eastern European Democracies

The Administration appreciates the Committee's support for programs designed to foster democracy in Croatia, Montenegro, and Serbia. Similarly, the Administration appreciates the

Committee's support for funding our share of the costs of the international civilian police force for Kosovo. This force is critical to ensuring the safety of all citizens of Kosovo and equally important as the key to relieving our armed forces from the burden of police work.

The Administration acknowledges the Committee's concerns about equitable sharing among our international allies of the burden in Kosovo. We are working diligently to make sure that all of our partners meet their commitments. However, we believe those commitments will be met and, therefore, we strongly oppose the elimination of funding for critical programs to revitalize Kosovo's economy and civil society. Moreover, short-changing these programs would undoubtedly prolong the region's dependence on foreign aid and prolong the requirement for military force, including U.S. forces, to ensure the peace. Hand in hand with these programs is the requirement for adequate staff and facilities to safeguard these programs from misuse of funds and ensure they are run effectively. Therefore, the Administration requests that the Congress reconsider the reduction to administrative funds as well.

Contributions to International Peacekeeping

The Administration is particularly concerned about the lack of funding for expected assessments to support critical United Nations (UN) peacekeeping operations in Kosovo and East Timor. These payments are critical if we are to help restore peace to these troubled areas. These are bills we must pay. We have requested \$91 million for the UN mission in Kosovo (UNMIK), which is performing an extraordinarily difficult but essential task of overseeing civilian administration until the people of Kosovo are able to assume that responsibility themselves. Our \$16 million request for the UN mission in East Timor (UNTAET) would help the UN perform a similar mission to facilitate the transition of East Timor to full independence. The absence of full and timely U.S. payment of our assessments would severely impede the success of these missions. Having won important progress for democracy and stability in both of these areas, we should invest in their stability by paying our share of the cost.

Security and Maintenance of U.S. Missions

The Administration appreciates the resources provided to ensure the safety of Americans serving in Sarajevo by providing funding to construct a new, secure facility. However, the Administration is disappointed that no funding has been provided for other requested security and operational needs in Kosovo and the region, including exchanges that broaden the understanding of democratic political and economic institutions and cultures. The Administration urges the Congress to provide additional funds to ensure the security of our employees serving U.S. interests in Kosovo and to ensure the success of U.S. efforts to achieve lasting peace in the region.

Heavily Indebted Poor Countries Trust Fund

The Administration is concerned that the draft Committee bill includes none of the \$210 million requested for a contribution to the Heavily Indebted Poor Countries (HIPC) Trust Fund to support the participation of regional development banks and other international financial institutions in the enhanced HIPC initiative. This initiative was a key outcome of the Cologne G-8 Summit and has broad international support as well as bipartisan support in the Congress,

and is designed to ease the debt burden of strong economic reformers such as Mozambique, Uganda, and Bolivia. The failure of the United States to provide any funding for the HIPC Trust Fund would significantly restrict the ability of some of the International Financial Institutions (IFIs) to participate fully in this important initiative. This would delay the objectives of easing the debt burden and providing an incentive for the poorest countries to implement the macroeconomic and structural reforms necessary to improve their economic performance and increase their ability to address, with their own resources, critical social issues such as education and health. In particular, failure to provide these funds would jeopardize multilateral debt reduction for eligible Latin American countries, such as Bolivia.

Agricultural Assistance for Areas Affected by Natural Disasters

The Administration commends the Committee for including requested funds needed to address farmers' and rural residents' efforts to recover from Hurricanes Dennis, Floyd, and Irene. These provisions will allow funds to be used to replace damaged farm structures and equipment that are essential for producers to continue their operations in the coming year, and they will help producer-owned marketing associations recover from severe losses sustained in last years' hurricanes. In addition, the rural housing assistance in the bill will ensure that low-income rural residents who were displaced by the hurricanes have safe, decent, and affordable housing long after the temporary FEMA housing assistance expires.

Princeville, North Carolina

The Administration strongly urges the Committee to provide the \$1.5 million requested for the Corps of Engineers to study the feasibility of providing additional flood protection for the city of Princeville, North Carolina and supports the amendment expected to be offered to provide such funding. Given the recent devastation this community has experienced, as well as its unique place in American history as the first city in the United States founded by ex-slaves, we need to move quickly to evaluate flood protection measures needed to protect this community adequately.

Economic Development Administration/National Oceanic and Atmospheric Administration

The Administration appreciates the funding provided by the Committee in response to the recent hurricane-related fisheries disasters and the Long Island Sound lobster fishery disaster. We urge that funding likewise be provided to address the West Coast groundfish disaster, as well as contingency funding for other disasters that may be declared.

Assistance to Vieques, Puerto Rico

We commend the Committee for providing the requested funding to implement the President's directives on Vieques. The training facility at Vieques is important to sustaining the readiness of our Naval forces, yet we cannot ignore the concerns of the inhabitants of Vieques. The Administration's plan will help balance national security with the legitimate health, safety, and environmental concerns of Vieques's residents. We look forward to working with the

Committee to ensure that the funding is spent effectively and efficiently in support of these goals.

Low Income Home Energy Assistance Program

The Administration commends the Committee for funding the President's request for \$600 million in contingent emergency funds under the Low Income Home Energy Assistance Program (LIHEAP).

Federal Aviation Administration (FAA)

The Administration has requested authority to reallocate \$39 million within FAA for FAA Operations, as well as language authorizing the Secretary of Transportation to transfer funds to Operations from other Transportation accounts. The requests are necessary to allow FAA to meet better the operational requirements of the air traffic control system, including addressing increased delays and maintaining safety and security. While it is possible that up to \$26 million will be provided through the pending FAA authorization bill, we are disappointed that the House Appropriations Committee has not approved this high-priority supplemental requirement.

HUD Gun Buyback

The Administration strongly opposes the Committee's elimination of funds for the Gun Buyback Violence Reduction Initiative in HUD's Drug Elimination Grant program. The Gun Buyback initiative is designed to reduce gun violence and protect families from senseless gun tragedies. Particularly given the string of recent shootings, we need to give communities more tools, not less, to help reduce the terrible toll of gun violence in the United States. Getting unwanted guns out of homes and off streets could prevent the next murder, suicide, accidental shooting, or tragic incident of domestic violence. We strongly urge striking this rider and restoring this spending authority.

Rescission of Mandatory Research and Rural Development Funds

The Administration strongly opposes provisions that would block further spending from the mandatory Fund for Rural America and agricultural research grants authorized by the Initiative for Future Agriculture and Food Systems. These provisions would deny vitally needed funding to support economic development in rural areas, such as water and waste disposal grants and loans, farm labor housing, and outreach to socially-disadvantaged farmers. In addition, the bill would cut research on human nutrition, methods to improve farm efficiency and profitability, and food safety. These programs serve ends that are supported by the vast majority of both urban and rural Americans, and we urge the Committee to strike these provisions.

Department of Energy

The Administration urges the Committee to provide the \$19 million requested for low-income home weatherization in the energy conservation account in FY 2000, as opposed to

providing the funds in FY 2001 as specified in the draft bill. These funds are needed for building rehabilitation -- work that is best done before the heating season. In order to be helpful next winter, the funds would need to be disbursed to States this summer. If the funds are not available until October, there is little chance that they will make it to local service agencies and into weatherization improvements for the next heating season.

The Administration appreciates the Committee's provision of funds for: (1) environment, health, and safety activities at the gaseous diffusion plants in Portsmouth, OH, and Paducah, KY; (2) physical and cyber-security activities across the Department of Energy complex; and, (3) personnel and other funding at the Department's weapons production plants.

Restoring Budgetary Conventions

The Administration commends the Committee for approving the President's proposal to restore budgetary conventions by repealing the pay date delay, the Department of Defense prompt payment delay, and the Department of Health and Human Services obligation delays.

The Administration also proposes to replace FY 2001 advance appropriations, where such appropriations departed from budgetary conventions, with full, up-front funding in FY 2000. The Administration looks forward to working with Congress to shift those advance appropriation that are not required for programmatic reasons.

Other Funding Issues

- Critical Infrastructure. In the FY 2001 Budget, the President has requested an FY 2000 supplemental of \$9 million to "jump start" some of his highest priority cyber-terrorism programs. This funding will be used to design and develop the programs in FY 2000 so that in FY 2001 they will be ready for full implementation. The Committee's elimination of the funding would delay these components of the Government-wide effort to protect the Nation's critical infrastructure.
- Internal Revenue Service. We strongly recommend that Congress fund the \$40 million supplemental for the IRS staffing requested in the President's budget. The IRS has recently faced increased workload with reduced staffing, resulting in falling audit rates (threatening the level and fairness of tax compliance) and difficulty in meeting customer service standards. The President's budget addresses this issue by proposing nearly 3,000 new FTE in FY 2001 to stabilize IRS staffing as its modernization effort is implemented. The FY 2000 supplemental is necessary to begin hiring and training these personnel immediately so they can begin to deliver performance improvements as soon as possible.
- Small Business Administration General Loans. The Administration is disappointed that the bill fails to provide \$5.1 million to address increased demand for 7(a) loans, including increased demand by businesses that have been particularly affected by rising oil prices, \$1.0 million for the Program for Investment in Microentrepreneurs Act of 1999 (PRIME), and \$0.5 million to help implement the Veterans Entrepreneurship and Small Business Development Act of 1999.

- Devils Lake. The Administration strongly urges the Committee to provide the \$6.6 million requested to address emergency flood conditions confronting communities surrounding Devils Lake, North Dakota and supports the amendment expected to be offered to provide such funding. Extraordinary flood conditions persist in this area despite extensive Federal and State efforts to date, including over \$300 million of Federal spending for flood response actions. These supplemental funds are critically needed for planning and design of an emergency outlet as well as to meet fully the requirements of the National Environmental Policy Act and other environmental laws and of the Boundary Waters Treaty of 1909, which must be completed before construction of an outlet may begin.
- Commission on Civil Rights. The bill does not provide the additional \$800,000 requested for the Commission on Civil Rights, which would fund completion in FY 2000 of a number of research projects currently underway at the Commission, including reports on racial tensions Nationwide, Federal enforcement of the Americans with Disabilities Act, the crisis of African-American men in inner cities, and Federal enforcement of fair employment law.
- Committee for Purchase from People Who are Blind or Severely Disabled. The draft bill fails to fund the President's request of \$687,000 for the Committee for Purchase from People Who are Blind or Severely Disabled, which administers the Javits-Wagner-O'Day (JWOD) Program. JWOD uses the purchasing power of the Federal Government to provide employment and training opportunities to approximately 34,000 people who are blind or have other severe disabilities. These funds would substantially expand marketing of JWOD products to Federal employees as a response to fundamental shifts in Federal acquisition of commercial-type products.
- National Technical Information Service. The Administration notes that the draft bill does not provide closure costs for the National Technical Information Service (NTIS). If actions are not taken in FY 2000, the strategy for handling NTIS's mission will need to be addressed in the context of legislation for FY 2001.

Language Issues

- Department of Education's Transfer Authority. The Administration objects to the draft bill's repeal of the Department of Education's authority in section 304 of the FY 2000 Labor/HHS/Education Appropriations Act to transfer between appropriations up to one percent of discretionary funds appropriated to the Department. Congress has routinely provided this flexibility so that the Secretary can respond to unanticipated events, and the Secretary has always promptly notified and consulted with the Congress before using this authority. The Administration strongly urges that this authority be retained.
- Plant Pest and Disease Assistance. The Administration opposes House report language that would direct the Secretary of Agriculture to submit simultaneously to the Congress and OMB copies of apportionment requests for funding to implement certain emergency declarations. The consideration of these apportionment requests solely within the Executive Branch is necessary for effective exchange of information and views, to the same extent and for the

same reasons that apply to the intra-Administration development of the annual President's budget.

The bill also provides \$40 million to compensate lost profits of growers affected by citrus canker in Florida. The Administration is concerned that the language appears to override the usual provisions guiding farm assistance, granting broad assistance to these producers. For example, unlike income assistance the Congress has provided in the last two years for other farmers, there would be no gross revenue eligibility determination or limitation on the size of payments. This could create disparate treatment for farmers and ranchers.

There are a number of unrequested funding items in the draft bill that the Administration does not feel are necessary. We would like to work with the Committee as the bill moves forward to address such items. In addition, we request that the Committee not add extraneous authorizations to the bill – particularly narrow, objectionable riders that would adversely affect the environment or serve only to generate controversy, unnecessarily delaying the urgently needed emergency assistance contained in this bill.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Director

Identical Letter Sent to The Honorable David R. Obey