



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

July 7, 2009
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2997 – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010

(Rep. Obey, D-Wisconsin)

The Administration strongly supports House passage of H.R. 2997, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2010.

A strong, vibrant rural America is central to our country's future. The bill, as reported by the committee, makes important investments in infrastructure so economic progress does not bypass rural communities. The legislation provides the resources necessary to keep our food and our medicines safe and reliable. It provides critical support for farmers to continue the nation's leading role in feeding the world. This legislation also addresses chronic problems facing Americans, including poverty and nutrition and housing. It invests dollars in rural America for the benefit of all Americans.

In addition, the legislation responds to the President's call for investments in programs that work while ending programs that do not. This legislation gives priority to merit-based funding in critical infrastructure programs. The Administration urges the Congress to continue to apply high standards to funding decisions so as to shape fiscally responsible policies that provide solid returns on the taxpayers' investments.

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

Administration Priorities

Expand Broadband Access. The Administration appreciates the Committee's support for the President's goal of increasing access to broadband. However, the President's request provided an increase in loan funding which the Committee moves into grants, resulting in a decrease in loan support of \$132 million. This reduction will slow expansion of broadband into rural America.

Rural Revitalization. The FY 2010 Budget requested an increase of \$70 million for rural revitalization grants. The Administration is disappointed that the Committee provides less than \$10 million of the requested increase, including no increase for Secondary and Post-Secondary Education, Institution Challenge Grants, or the Quality of Life Program.

Renewable Energy. The Administration appreciates the support the Committee has provided to the United States Department of Agriculture's (USDA) Rural Business programs. However, the Administration urges the Congress to fund the Rural Energy for America program at the full

requested amount. This program is necessary in promoting energy efficiency and renewable energy in rural communities.

Efficiencies and Cost-Saving Proposals. The Administration appreciates the Committee's support for some of the President's initiatives to terminate or reduce USDA programs that have outlived their usefulness, such as public broadcast grants to help the digital conversion, or that are duplicative of other USDA programs, such as high-cost energy grants. The Administration encourages the Congress to reconsider other proposals made by the Administration that would better target scarce resources and eliminate duplicative programs.

Food Safety and Inspection Service

The Administration is concerned with sections 723 and 724 of the bill which deal with food safety issues. The Administration would like to work with the Congress to address the issues raised by the Committee in a manner that would protect the Nation's food supply and be consistent with our international obligations.

Food and Nutrition Services

The Administration is pleased with the Committee's support for strengthening nutrition assistance programs by including funding for food banks, community-based food providers, fully funding WIC, and by supporting a pilot initiative to help increase elderly participation in the Supplemental Nutrition Assistance Program.

Farm Service Agency

The Administration appreciates that the Committee provides full funding to begin modernization of the Farm Service Agency's information technology network. Once completed, the multi-year stabilization and modernization plan, dubbed "MIDAS," will allow the agency to provide program benefits in a more efficient, accurate, and responsive manner.

Rural Development

The Administration appreciates that the Committee funds the majority of Rural Development at the President's requested levels. However, funding for the Rental Assistance Grants falls \$77 million short of the estimate needed to renew the expiring rental assistance contracts expected in FY 2010. The Administration urges the Congress to provide the full request of \$1.1 billion, which will continue the support of rents for USDA-financed properties on behalf of the tenants who receive subsidized rent.

Food and Drug Administration (FDA)

The Administration appreciates that the Committee provides the request to strengthen the FDA's efforts to make food and medical products safer. This funding will allow FDA to work with domestic and foreign industry to develop new control measures for all levels of the supply chain, improve and increase risk-based inspections, and respond more effectively with rapid and targeted product tracing when problems do occur.

Constitutional Concerns

Consistent with the Executive Branch's long-standing views regarding section 713, the Administration notes that section 713 raises constitutional concerns under the Recommendations Clause and should be eliminated.

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