

June 27, 2001  
(House Rules)

**H.R. 2330 - DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2002**  
**(Reps. Young (R) Florida; Bonilla (R) Texas)**

This Statement of Administration Policy provides the Administration's views on the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2002, as reported by the House Committee.

The Administration appreciates the Committee's efforts to fund agencies and programs contained in this bill at the President's request. For example, the Administration is pleased that the Committee provided the full budget request for the Food Safety and Inspection Service's meat and poultry inspection activities and for the Department of Agriculture's (USDA's) rural housing, business and water and wastewater programs, which will increase the number of rural Americans that have access to safe, affordable housing, clean water, and economic development opportunities.

The Administration is committed to working with the Congress to enact all 13 appropriations bills in a timely manner and within the framework of the recently-adopted budget resolution. The President believes that this level of funding will moderate the recent rapid growth in spending while funding important national priorities. In developing the FY 2002 Budget, he sought to make reductions in one-time spending, unjustified or duplicative programs, and programs that have completed their mission. The Administration urges the Congress to support the President's overall approach to the FY 2002 Budget.

We would like to take this opportunity to share some concerns with the Committee version of the bill, as noted below.

Agricultural Commodity Assistance

The Administration strongly opposes the provision added in Committee that would designate \$150 million for specific agricultural commodities as an "emergency." The Administration remains opposed to the use of emergency designations for items unless they meet the criteria laid out in the budget. Low agricultural commodity prices were foreseen and \$5.5 billion was specifically set-aside for such purposes in the budget resolution for FY 2001. The House has passed legislation that would address potential needs that may be created by a combination of low farm prices and high input costs during the 2001 crop season. Any assistance for apple producers or any other agricultural commodities should be addressed in that bill as it moves through the legislative process. Therefore, this emergency spending and the emergency designation should be removed from the bill.

However, should the House only remove the emergency designation while retaining the \$150 million in commodity assistance, that spending should be offset by other spending reductions.

## Unrequested Projects in Agricultural Research and Education Programs

The Administration has serious concerns with the level of funding provided by the Committee for specific agricultural research and education activities. While some amount of funding for unrequested projects is understandable, the Committee included approximately \$150 million in unrequested research project funding, \$30 million higher than the level provided last year. Unrequested projects target resources to local needs, thereby draining valuable taxpayer resources from the accomplishment of national research goals and objectives. The Administration believes that peer-reviewed competitive grant programs offer the best opportunity to perform high quality research targeted at national needs. We urge the Committee to eliminate funding for unrequested research projects.

## Plant Pest and Diseases

The FY 2002 Budget proposed that ongoing projects to combat plant pest and disease infestations be funded through the normal discretionary appropriations process. The Committee chose not to fund these activities through discretionary funding, and instead recommended that funding be provided through transfer from the Commodity Credit Corporation (CCC). However, authority to transfer funding from CCC is intended for use in emergency situations, when there is no time to use normal budget channels. Using this emergency authority for eradication efforts, which can be predicted and planned for, and will continue for several years, is inconsistent with the clear intent of the provision authorizing these transfers. Therefore, using emergency funding for anything other than the truly unforeseen can be viewed as backdoor financing that avoids the discipline of the budget caps. We urge the Committee to adopt the proposals contained in the President's request and look forward to working with the Committee on this issue.

## Rural Electric Loans

The Administration is concerned that the loan levels provided for USDA's rural electric programs have been increasing at an unprecedented rate, and the Committee's proposed \$1.5 billion increase continues this trend. The loan levels in the bill would increase the Government's direct competition with private financial institutions. In addition, it is unclear whether the Rural Utilities Service's staff can adequately administer this level of loans, which could increase the risk to the Government for future losses. We urge the Committee to adopt the loan levels contained in the President's request.

## Drug Reimportation

We understand that an amendment regarding the reimportation of prescription drugs may be offered during House Floor debate. There are a variety of legal and safety issues surrounding such proposals. The President believes it is essential that seniors have affordable access to prescription drugs. However, the Administration would oppose any amendments to this appropriations bill that could result in unsafe, unapproved, or counterfeit drugs being imported into the United States. This is an issue that should be reviewed by the relevant Committees of jurisdiction, in consultation with the Administration, and in the context of broader trade, health, and safety legislation.

## Pay Raise

The President's budget proposes a pay raise of 3.6 percent for Federal civilian employees. We believe this proposal is both reasonable and responsible. While recruiting and retaining the skilled and dedicated Federal civilian work force necessary to provide high-quality services to the American public is very important, we believe that civilian employees are already benefiting from several recent enhancements to their compensation package. We do not believe that military pay and civilian pay raises should necessarily be automatically linked. We will continue to review Federal pay policy annually, and evaluate military and civilian pay raise policies on the basis of the particular circumstances applicable to each (for example, recruiting and retention needs), consistent with prudent use of taxpayers' dollars. The additional cost of a Government-wide 4.6 percent civilian pay raise is nearly \$900 million over what is currently included in the President's request, and would, if funded, divert critical resources from programs such as those funded in this bill.

#### Infringement on Executive Authority

The Administration objects to sections 719 and 725 of the Committee bill that infringe upon the President's ability to exercise his constitutional responsibilities. Section 719 could impede communications within the Executive Branch to a degree that undercuts the President's ability to exercise his constitutional authorities; while section 725 would purport to restrict his authority to make legislative or policy recommendations to Congress.

The Administration also objects to a number of provisions in the Committee bill that would require congressional approval before Executive Branch execution. The Administration will interpret these provisions to require only notification of Congress, since any other interpretation would contradict the Supreme Court ruling in INS v. Chadha.

[Ed. Note: Copied from <http://www.whitehouse.gov/omb/legislative/sap/107-1/HR2330-r.html> and converted to PDF without change on August 13, 2006.]