



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

June 9, 2014
(House)

STATEMENT OF ADMINISTRATION POLICY
H.R. 4745 — Transportation, Housing and Urban Development, and Related Agencies
Appropriations Act, 2015
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 4745, making appropriations for the Departments of Transportation, Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2015, and for other purposes. The bill fails to make needed investments in our Nation's infrastructure, provides insufficient support for critical housing programs for low-income Americans and the homeless, and includes objectionable language provisions.

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 could undermine an orderly appropriations process.

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. However, 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 also 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 Opportunity, Growth, and Security Initiative would support a number of investments, including additional funding to revitalize neighborhoods of concentrated poverty and assist public housing residents to secure gainful employment, and funding for grants to promote more integrated housing and transportation investments. Further, through its fully paid for GROW AMERICA Act proposal, the Administration has requested \$302 billion over four years for highways, transit, highway safety, and rail programs, as well as for Transportation Investment Generating Economic Recovery (TIGER) Grants. The Administration looks forward to working with the Congress to fund critical investments to rebuild our transportation infrastructure, create jobs, and grow the economy.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill and urges the Congress to resolve these issues during the FY 2015 appropriations process.

Department of Transportation (DOT)

Surface Transportation Funding. The Administration looks forward to working with the Congress to enact the GROW AMERICA Act proposal. The legislation would provide \$302 billion over four years for highways, transit, highway safety, and rail programs, as well as for TIGER grants, and is paid for by pro-growth business tax reforms. There is bipartisan agreement that more funding is needed to improve infrastructure in order to allow people and goods to move safely and efficiently through the Nation. The Committee's proposed funding level, which freezes obligation limitations for highway, transit, and highway safety at FY 2014 authorized levels, demonstrates why a robust, multi-year authorization is essential to provide the funding boost that States and municipalities require to make the necessary and transformative transportation investments that their citizens are demanding.

National Infrastructure Investments. The Administration urges the Congress to increase funding for TIGER grants to a level sufficient to support innovative projects across the Nation. The funding level provided in the bill is a \$500 million reduction below the FY 2014 enacted levels and would reduce an already highly competitive grant program and its ability to support innovative projects across the United States. Further, the Committee's decision to eliminate grant funding eligibility for transit and passenger rail projects would stifle the multimodal innovation TIGER has helped spur since the program's inception.

Federal Transit Administration (FTA) Capital Investment (New Starts) Grants. The Administration urges the Congress to provide the requested funding level of \$2.5 billion for FTA Capital Investment New Starts. The funding provided in the bill would only fund payments on current projects and not allow FTA to initiate new grant agreements with communities whose projects have demonstrated merit through the pipeline.

High-Performance Passenger Rail. The Administration strongly opposes the Committee's reduction of \$200 million below the FY 2014 funding level for passenger rail programs, which would result in significant delays in much needed capital investments and contribute to deteriorating performance. As proposed in the GROW AMERICA Act, the Administration believes that the Congress should be investing in high-performance passenger rail service to meet the transportation needs of our growing population. In addition to providing grant funds to improve passenger rail service at the national and state level and to help commuter railroads install positive train control systems, the Administration's proposal would also restructure Federal support for Amtrak to increase transparency, accountability, and performance.

High Speed Rail. The Administration strongly objects to prohibiting the Surface Transportation Board from taking any action to approve subsequent phases of the California High Speed Rail project between Los Angeles and San Francisco. The Administration believes passenger rail can play an important role in addressing transportation needs and opposes any attempts to limit state and local choices to enhance passenger rail.

Safe Transport of Energy Products. The Administration is concerned that the Committee did not provide the requested \$40 million proposed in the FY 2015 Budget to support the multimodal prevention and response activities associated with the increased safety issues surrounding the transport of crude oil. However, the Administration appreciates that the Committee provided the requested funding level of \$52 million in the FY 2015 Budget for the Hazardous Materials Safety account. Though not intended to address the safe transport issue exclusively, it is a step toward funding the additional research, training, and outreach associated with the recent surge in oil and natural gas transportation.

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 requested funding supports key reforms in the Administration's comprehensive plan, announced by the President last month, which that 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 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.

Federal Aviation Administration (FAA). The Administration appreciates the Committee's support for FAA, including funding to hire and train additional safety inspectors and keep modernization of the air traffic control system on track.

Highway and Motor Carrier Safety. The Administration objects to the provisions altering the permissible size and weight of trucks operating over Federal highways in the states of Mississippi, Wisconsin and Idaho. 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. The Administration opposes provisions that serve to weaken highway safety by altering or revising the existing safety regulations for motor carrier operators.

Department of Housing and Urban Development (HUD)

Housing Choice Vouchers. The Administration is deeply concerned about the funding level provided for the Housing Choice Vouchers program. The funding level in the bill is insufficient to provide the same level of assistance to families as in 2014 and would not restore the sequestration cut. The Administration also strongly urges the Congress to fund the Voucher program's administrative fees at the President's request of \$1.7 billion so that Public Housing Authorities can ensure that units are safe and habitable.

Homeless Assistance Grants. The Administration strongly opposes the level of funding provided for Homeless Assistance Grants. The bill funds the program at \$2.1 billion, which is \$301 million below the FY 2015 Budget, and would not allow for the development of any new permanent supportive housing as part of the Administration's efforts to end chronic homelessness in 2016.

Choice Neighborhoods. The Administration strongly opposes the \$25 million funding level provided for Choice Neighborhoods, which is \$95 million below the FY 2015 Budget. At this funding level, Public Housing Authorities and other local entities will be extraordinarily limited in their ability to revitalize distressed HUD-assisted housing and build ladders of opportunity for low-income families in surrounding high-poverty neighborhoods.

Public Housing Programs. The Administration opposes the \$6.2 billion in funding provided for the Public Housing Operating Fund and Capital Fund programs. This funding level, which is \$350 million below the FY 2015 Budget, may delay necessary maintenance and capital improvements and expose low-income families to deteriorating living conditions. The Administration also urges the Congress to eliminate the 60,000 unit cap on the Rental Assistance Demonstration, as requested in the FY 2015 Budget, to preserve additional Public Housing properties by converting them to long-term Section 8 contracts.

Homeowners Armed With Knowledge Demonstration Project (HAWK). The Administration opposes section 232 of the bill, which prohibits the use of funds to implement the HAWK, a Federal Housing Administration (FHA) demonstration which combines housing counseling with FHA-insured mortgages to expand access to affordable mortgage credit for creditworthy borrowers. The Administration also urges the Congress to adopt the proposed new fee for FHA administrative expenses, which would lower taxpayer risks by enabling FHA to perform enhanced oversight of its lending partners.

Housing Counseling. The Administration opposes the \$47 million in funding provided for HUD's Housing Counseling program. This funding level is \$13 million, or 22 percent, below the FY 2015 Budget. While the housing market has improved, there are still many households facing the aftermath of the financial crisis and counseling is an important resource in helping households find affordable and stable housing.

HOME Investment Partnerships Program. The Administration opposes the \$700 million in funding provided for the HOME Investment Partnerships Program, which is \$250 million below the FY 2015 Budget. The Administration urges the Congress to support this program at the requested level in order to increase the supply of affordable housing for low-income families.

HUD Information Technology (IT) Fund. The Administration opposes the \$100 million in funding provided for the HUD IT Fund, which is \$172 million below the FY 2015 Budget. The Administration urges the Congress to support the IT Fund at the requested level to ensure HUD has sufficient resources to support its core IT needs; the level provided in the bill will inhibit HUD from carrying out its mission.

Fair Housing. The Administration opposes the \$46 million in funding provided for the Fair Housing and Equal Opportunity program, which reflects a reduction of \$25 million or 35 percent below the FY 2015 Budget. This reduced funding level would severely curtail investigations of fair housing complaints and undermine efforts to support fair housing throughout the United States.

Lead Hazard Control. The Administration opposes the \$70 million in funding provided for Lead Hazard Control and Healthy Homes grants, which is a reduction of \$50 million or 42 percent

below the FY 2015 Budget. This reduction will leave thousands of low-income families with children at continued risk of exposure to lead-based paint hazards and other home health hazards.

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

* * * * *