



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

November 14, 2007  
(House)

**STATEMENT OF ADMINISTRATION POLICY**  
**H.R. 3074 – Departments of Transportation, and Housing and Urban Development, and**  
**Related Agencies Appropriations Act, 2008**  
(Sponsor: Obey (D), Wisconsin)

The Administration strongly opposes H.R. 3074 because it includes an irresponsible and excessive level of spending and objectionable provisions. H.R. 3074 exceeds the President's request by over \$3 billion, excluding increases to the obligation limit for States' highway funding. The Administration has asked Congress to demonstrate a path to meet the President's topline and cover the excess spending in this bill through reductions elsewhere. Congress has failed to show a path to hold spending to reasonable and responsible levels. This unwarranted spending puts a balanced budget in jeopardy and risks future tax increases. If H.R. 3074 were presented to the President, he would veto the bill.

Further, this bill includes a level of highway spending that is \$2.3 billion above the President's request and exacerbates the strained financial condition of the Highway Trust Fund. This increased level would plunge the highway account into deficit by \$5 billion in 2009. As the President and Secretary of Transportation have emphasized, highway spending must be focused on projects with the highest priority.

H.R. 3074 does not adopt any of the President's proposed terminations or reductions in programs that have been shown to be ineffective or duplicative, which would have saved nearly \$3 billion. Moreover, the Administration set out clear goals for Congress to reform the earmarking process. This bill includes nearly all earmarks in report language, and does not cut the cost and number of earmarks by at least half. The bill also contains more than 2,000 earmarks for, among other things, museums, zoos, gardens, gymnasiums, and golf courses, and diverts funds from such priority purposes as housing, low-income families, bridge repairs, and highways. Congressional earmarks divert Federal taxpayer funds to localities without the benefit of a merit-based process, resulting in fewer resources for national priorities or unwarranted spending above fiscally-responsible levels.

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