

THE WHITE HOUSE
WASHINGTON

October 29, 1999

The Speaker of the

House of Representatives

Sir:

In accordance with provisions of Public Law 106-78, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, I hereby request \$8.8 billion in FY 2000 emergency appropriations as follows:

Department of Agriculture

- Farm Service Agency, Commodity Credit Corporation fund: \$8,530,453,000
- Risk Management Agency, Federal Crop Insurance Corporation fund: \$292,000,000
- Rural Development, Rural Community Advancement Program: \$2,070,000

These funds will help address the crisis gripping our Nation's farm community. Emergency assistance to farmers and ranchers provided in P.L. 106-78 includes two items that will not require outlays from the Commodity Credit Corporation or the Federal Crop Insurance Corporation, namely a waiver of fees under the sugar program and the forgiveness of debt for the City of Stroud, Oklahoma. P.L. 106-78 also provides \$292 million to cover the additional costs to the Federal Crop Insurance Corporation triggered by the \$400 million provided by Congress for crop insurance premium discounts. In addition, the Act provides for the extension of dairy price supports, which is expected to reduce FY 2000 outlays associated with recourse loans to dairy farmers, creating a net savings. Overall, the estimated net budgetary impact of the emergency assistance provisions of P.L. 106-78, on a program level basis, is \$8.6 billion.

In addition, I am requesting out-year funding associated with the emergency provisions of P.L. 106-78, including \$30 million in FY 2001 funds to assist fisheries in the Northeast and Alaska.

I hereby designate the above amounts as emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

The details of these actions are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

William J. Clinton

Enclosure



THE DIRECTOR

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

October 29, 1999

The President

The White House

Submitted for your consideration is a request to make available \$8.8 billion in previously appropriated FY 2000 emergency funds for the Department of Agriculture.

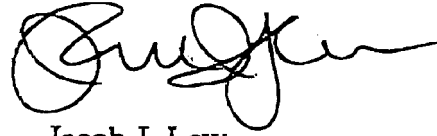
Public Law 106-78, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, provided \$8.8 billion in emergency assistance to farmers and ranchers in FY 2000, but other items affect the total net spending on a program level basis under the emergency provisions. In addition to the emergency disaster assistance provided by P.L. 106-78, \$292 million of costs were triggered by the \$400 million provided by the Act for crop insurance premium discounts, fees were waived under the sugar program, and debt forgiveness has been provided for the City of Stroud, Oklahoma. Further, extending the dairy price support program results in a savings through reduced dairy recourse loan outlays. In FY 2000 overall, the estimated net budgetary impact of the emergency assistance provisions of P.L. 106-78, on a program level basis, is \$8.6 billion. The Act's emergency spending provisions also include \$30 million in FY 2001 funds to assist fisheries in the Northeast and Alaska, as well as out-year spending in certain programs such as cotton assistance.

The availability of these funds was made contingent upon the President submitting a budget request to the Congress and designating the entire amount as an emergency requirement. I recommend that you designate the amounts listed on the enclosure as emergency requirements in accordance with section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. No further congressional action will be required.

These funds will strengthen the farm safety net by helping hardworking farmers achieve a decent living, despite the misfortune of bad weather, low commodity prices, or other forces that affect their livelihoods. As with last year's disaster assistance, these funds provide only a one-year, temporary fix for the overall problems with the farm safety net. The draft Statement (attached) calls on the Congress to enact a permanent fix to the shortcomings in the 1996 Farm Bill.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Agriculture in recommending that you make the requested funds available by signing the enclosed letter to the Speaker of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jacob J. Lew
Director

Enclosure

**EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED
MADE AVAILABLE BY THE PRESIDENT**

Department of Agriculture

Farm Service Agency:	
Commodity Credit Corporation fund.....	\$8,530,453,000
Risk Management Agency:	
Federal Crop Insurance Corporation fund.....	\$292,000,000
Rural Development:	
Rural Community Advancement Program.....	\$2,070,000

Public Law 106-78, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, provided a total of \$8.8 billion in FY 2000 emergency assistance to farmers and ranchers. The availability of these funds was made contingent upon the President submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement.

The \$8.8 billion in contingent emergency funding is required to strengthen the farm safety net by helping hardworking farmers achieve a decent living, despite the misfortune of bad weather, collapsing markets, or other forces that affect their livelihoods.

In addition to the above FY 2000 appropriations, the Act provides spending in certain programs in the out-years, including \$30 million for fisheries assistance in the Northeast and Alaska. The President's request also designates these amounts as emergency requirements.