

THE WHITE HOUSE
WASHINGTON

March 27, 2000

The Speaker of the

House of Representatives

Sir:

I ask the Congress to consider expeditiously the enclosed requests for FY 2000 supplemental appropriations for the Departments of Health and Human Services, Labor, and Transportation; the Social Security Administration; and, the Presidential Advisory Commission on Holocaust Assets in the United States. The additional resources requested are offset fully by other proposals in this transmittal.

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,

Handwritten signature of William S. Clinton in black ink.

Enclosure



THE DIRECTOR

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

March 27, 2000

The President

The White House

Submitted for your consideration are requests for FY 2000 supplemental appropriations for the Departments of Health and Human Services (HHS), Labor, and Transportation (DOT); the Social Security Administration; and, the Presidential Advisory Commission on Holocaust Assets in the United States. The additional funding requested is offset fully by proposed reductions included in this transmittal.

Social Security Administration

An additional \$35.0 million is proposed for the Social Security Administration. This request would fund the one-time costs of repealing the retirement earnings test for workers at or above the normal retirement age. This funding is needed to cover the administrative costs of processing retroactive benefit payments and additional claims, handling the expected increases in telephone calls and field office visits, and reprogramming computer systems, while ensuring no deterioration in FY 2000 service levels.

Department of Transportation

An additional \$77.0 million is proposed for the Federal Aviation Administration (FAA). This request is in addition to the DOT supplementals included in your budget that would reallocate funding within the FAA for FAA Operations, as well as authorize the Secretary of Transportation to transfer funds to Operations from other DOT accounts. While up to \$26.0 million will be provided through the FAA authorization bill, the FAA supplemental language requests in your budget and this additional request are needed to ensure continuity of air traffic control operations. Specifically, the \$77.0 million now requested would provide funding for additional aviation safety inspectors, as well as for critical system support.

Department of Labor

A proposal for \$40.0 million for the Employment and Training Administration would support youth activities by providing summer jobs or other opportunities to about 24,000 low-income youth. The supplemental funds would be distributed to the workforce investment areas containing the 50 cities in the United States with the largest populations for youth formula-funded activities. Consistent with both the Congress' and the Administration's comprehensive approach to improving services to, and the outcomes for, low-income youth, these resources would provide support to local communities while they develop strategies for leveraging private sector involvement in -- and resources for -- youth transition programs, including the summer jobs component.

Department of Health and Human Services

A proposal in this transmittal would provide an additional \$100.0 million, for a total of \$175.0 million for FY 2000, for payments authorized by the Ricky Ray Hemophilia Relief Fund Act. The Act authorizes the establishment of a \$750.0 million trust fund administered by the Secretary of HHS for the purpose of disbursing payments to persons with hemophilia who contracted HIV through the use of tainted blood products between July 1982 and December 1987. Spouses and children of affected individuals who became HIV-infected are also eligible for payment. While the Administration is committed to full funding for the Ricky Ray Trust Fund, this request for \$100.0 million is possible at this time due to the availability of Y2K remediation funds no longer needed by HHS.

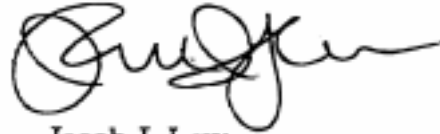
Presidential Advisory Commission on Holocaust Assets in the United States

An additional \$1.4 million is requested for the Presidential Advisory Commission on Holocaust Assets in the United States. The supplemental funds would support additional activities related to the completion of a statutorily mandated comprehensive report on the acquisition and disposition of Holocaust-era assets in the United States due to the Congress by December 31, 2000. These additional activities include a review of agreements that may have existed between the United States and Western European countries regarding the restitution of property to individuals; a review of bank and travel agent records of assets transferred to the United States by Holocaust victims; and, the implementation of a project that would cross-match records of Holocaust victims with unclaimed property lists. Funding would remain available during the statutory term of the Commission.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the proposals to the Congress.

With the assistance of the Department of State, the Agency for International Development, and other agencies, OMB is reviewing the need for assistance to ameliorate the humanitarian and economic crisis caused by heavy rains in Mozambique and neighboring countries. We expect to finish this expedited review shortly. We will work with the Congress to meet these urgent requirements.

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

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DEPARTMENTAL MANAGEMENT

Public Health and Social Services Emergency Fund

Of the funds transferred to "Public Health and Social Services Emergency Fund" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$26,452,000 of the unobligated balances is hereby canceled. In addition, of the funds appropriated for the Department's year 2000 computer conversion activities under this heading in the Department of Health and Human Services Appropriations Act, 2000, as enacted by section 1000(a)(4) of the Consolidated Appropriations Act, 2000 (P.L. 106-113), \$137,300,000 is hereby canceled: Provided, That the amount provided to support the Ricky Ray Hemophilia Relief Fund Act of 1998 is increased by \$100,000,000: Provided further, That the last three provisos under this heading in such Act shall not apply to funds appropriated herein.

This proposal would provide an additional \$100.0 million, for a total of \$175.0 million for FY 2000, for payments authorized by the Ricky Ray Hemophilia Relief Fund Act. The Act authorizes the establishment of a trust fund administered by the Secretary of Health and Human Services for the purpose of disbursing payments to persons with hemophilia who contracted HIV through the use of tainted blood products between July 1982 and December 1987. Spouses and children of affected individuals who became HIV-infected are also eligible for payment. These funds are requested as a non-emergency appropriation.

This proposal would also cancel \$26.5 million of unobligated balances of supplemental funding transferred to the Public Health and Social Services Emergency Fund and \$137.3 million in funding appropriated directly to the Public Health and Social Services Emergency Fund for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were provided.

The cancellations would: offset the increased funding for the Ricky Ray Hemophilia Trust Fund; offset the one-time administrative costs associated with the repeal of the retirement earnings test for workers at or above the normal retirement age; offset additional funding requested for the Presidential Advisory Commission on Holocaust Assets in the United States; and, help offset increased funding necessary to provide summer jobs or other opportunities to about 24,000 low-income youth.

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

Training and Employment Services

For an additional amount for "Training and Employment Services," \$40,000,000, to be available for obligation for the period April 1, 2000, through June 30, 2001, to be distributed by the Secretary of Labor to States for youth activities in the local areas containing the 50 cities with the largest populations, as determined by the latest available Census data, in accordance with the formula criteria for allocations to local areas contained in section 128(b)(2)(A)(i) of the Workforce Investment Act: Provided, That the amounts distributed to the States shall be distributed within each State to the designated local areas without regard to section 127(a) and (b)(1) and section 128(a) of such Act.

This supplemental request would provide \$40.0 million to the Secretary of Labor to be distributed to the 50 largest cities in the United States for youth activities authorized under the Workforce Investment Act. The funds would support summer jobs or other opportunities for about 24,000 low-income youth.

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

Operations
(Airport and Airway Trust Fund)

For an additional amount for "Operations," \$77,000,000, to be derived from the Airport and Airway Trust Fund.

This supplemental request would permit the Federal Aviation Administration (FAA) to meet better the current demands of air traffic, address increasing delays, and continue high levels of safety and security. Of the total, \$6.0 million would be used to hire 170 aviation safety inspectors and medical and certification staff, who will ensure industry compliance through an additional 10,000 safety and 100 substance abuse inspections. The balance of the request, \$71.0 million, would be used for critical air traffic control support activities, including maintenance, training, additional spare parts, and telecommunications lines. This funding would prevent further delays by allowing the FAA to maintain critical software and hardware contracts, ensure that necessary spare parts are on-hand in the event of an outage, and assure adequate levels of telecommunications service.

This request is in addition to the supplementals requested in the FY 2001 Budget that would reallocate funding within the FAA for Operations, as well as authorize the Secretary of Transportation to transfer funds to Operations from other Transportation accounts.

SOCIAL SECURITY ADMINISTRATION

Limitation on Administrative Expenses

Contingent upon the enactment of legislation to repeal the retirement earnings test for workers at or above the normal retirement age (42 U.S.C. 403), an additional amount for "Limitation on Administrative Expenses," \$35,000,000, to be available through September 30, 2001.

This supplemental request would fund the one-time costs of repealing the retirement earnings test for workers at or above the normal retirement age. This funding is needed to cover the administrative costs of processing retroactive benefit payments and additional claims, handling the expected increases in telephone calls and field office visits, and reprogramming computer systems, while ensuring no deterioration in FY 2000 service levels.

PRESIDENTIAL ADVISORY COMMISSION ON HOLOCAUST ASSETS IN
THE UNITED STATES

For an additional amount for the “Presidential Advisory Commission on Holocaust Assets in the United States,” as authorized by Public Law 105-186, as amended, \$1,400,000, to remain available until March 31, 2001, for the direct funding of the activities of the Commission.

This supplemental request would provide \$1.4 million to support additional activities related to the completion of a statutorily mandated comprehensive report on the acquisition and disposition of Holocaust-era assets in the United States due to the Congress by December 31, 2000. Funding would remain available during the statutory term of the Commission.

DEPARTMENT OF AGRICULTURE

EXECUTIVE OPERATIONS

Office of the Chief Information Officer

Of the funds transferred to "Office of the Chief Information Officer" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$2,435,000 of the unobligated balances is hereby canceled.

This proposal would cancel \$2.4 million of unobligated balances of supplemental funding that was transferred to the Office of the Chief Information Officer for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

Salaries and Expenses

Of the funds transferred to "Salaries and Expenses" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$3,565,000 of the unobligated balances is hereby canceled.

This proposal would cancel \$3.6 million of unobligated balances of supplemental funding that was transferred to the Salaries and Expenses account within General Administration for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

Emergency Oil and Gas Guarantee Loan Program Account

Of the funds provided in section 201(e) of Public Law 106-51, \$42,755,953 is hereby canceled.

This language would cancel funds that are not needed for current year activities based on applications received by the deadline for applications. (This proposal is in addition to the cancellation proposal for this account transmitted to the Congress on February 25, 2000.)

DEPARTMENT OF EDUCATION
DEPARTMENTAL MANAGEMENT

Program Administration

Of the funds transferred to "Program Administration" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$866,000 of the unobligated balances is hereby canceled.

This proposal would cancel \$0.9 million of unobligated balances of supplemental funding that was transferred to the Program Administration account within Departmental Management for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.

DEPARTMENT OF LABOR

DEPARTMENTAL MANAGEMENT

Salaries and Expenses

Of the funds transferred to "Salaries and Expenses" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$350,000 of the unobligated balances is hereby canceled.

This proposal would cancel \$350,000 of unobligated balances of supplemental funding that was transferred to the Salaries and Expenses account within Departmental Management for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

Maritime Guaranteed Loan (Title XI) Program Account

Of the funds provided under this heading in the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies Appropriations Act of 1997, Public Law 104-208, \$7,644,047 is hereby canceled.

This proposal would cancel funds that are not available for obligation due to a limitation in the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies Appropriations Act of 1997, as included in P.L. 104-208, the FY 1997 Omnibus Consolidated Appropriations Act.

DEPARTMENT OF TRANSPORTATION

General Provision

Sec. XXX Of the funds transferred to the Department of Transportation for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$26,600,000 of the unobligated balances is hereby canceled: Provided, That the Secretary of Transportation shall allocate this cancellation among the appropriate accounts within the Department.

This proposal would cancel \$26.6 million of unobligated balances of supplemental funding that was transferred to the Department of Transportation for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.

GENERAL SERVICES ADMINISTRATION

GENERAL ACTIVITIES

Policy and Operations

Of the funds transferred to "Policy and Operations" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$3,532,000 of the unobligated balances is hereby canceled.

This proposal would cancel \$3.5 million of unobligated balances of supplemental funding that was transferred to Policy and Operations for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.

FEDERAL COMMUNICATIONS COMMISSION

Salaries and Expenses

Of the funds transferred to "Salaries and Expenses" for year 2000 conversion of Federal information technology systems and related expenses pursuant to Division B, Title III of Public Law 105-277, \$1,900,000 of the unobligated balances is hereby canceled.

This proposal would cancel \$1.9 million of unobligated balances of supplemental funding that was transferred to the Federal Communications Commission Salaries and Expenses account for costs associated with year 2000 (Y2K) remediation. These unobligated balances are no longer needed for the purposes specified at the time the funds were transferred.