

1998 EMERGENCY SUPPLEMENTAL APPROPRIATIONS
FOR AGRICULTURAL PROGRAMS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

HIS REQUESTS FOR FY 1998 EMERGENCY SUPPLEMENTAL APPROPRIATIONS OF \$1.8 BILLION IN BUDGET AUTHORITY TO SUPPORT \$2.3 BILLION IN EMERGENCY AGRICULTURAL PROGRAMS, PURSUANT TO 31 U.S.C. 1107



SEPTEMBER 23, 1998.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,
Washington, September 22, 1998.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask Congress to consider expeditiously the enclosed requests for emergency supplemental appropriations. These requests would provide \$1.8 billion in budget authority to support \$2.3 billion in emergency agricultural programs. The proposals I am transmitting today do not include income assistance to farmers for low commodity prices. On September 10th, Secretary Glickman communicated the Administration's support for such assistance through Senators Daschle and Harkin's proposal to remove the cap on marketing loan rates for 1998 crops. The Administration urges the Congress to act on this proposal. My Administration will work with the Congress to ensure that farm income losses are adequately addressed in the emergency legislation.

The requests would also provide \$253.8 million, including \$29.5 million requested on a contingent basis, to the Department of Defense to assist U.S. military installations in recovering from monsoons in the Republic of Korea.

In addition, in accordance with provisions of P.L. 105-78, P.L. 105-174, and P.L. 103-327, respectively, I hereby make available the following appropriation amounts to address urgent emergency needs: Department of Health and Human Services, Administration for Children and Families, Low-income home energy assistance program, \$10,000,000; Department of Transportation, Federal Highway Administration, Federal-aid highways (emergency relief program), \$35,000,000; and, Federal Emergency Management Agency, Disaster assistance direct loan program account, \$4,946,619.

I designate all of the requests, except for the \$29.5 million requested for the Department of Defense on a contingent emergency basis, 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 requests 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.

[Estimate No. 15, 105th Cong., 2d Sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 22, 1998.

The PRESIDENT,
The White House.

Submitted for your consideration are requests for urgent emergency supplemental appropriations for the Departments of Agriculture, Defense (DoD), and Labor. Also included in this package are requests that would make available previously appropriated funds to the Departments of Health and Human Services (HHS) and Transportation, and the Federal Emergency Management Agency (FEMA). All of these requests are described in more detail in the enclosures.

Emergency Agricultural Payments

Emergency supplemental appropriations totaling \$1.8 billion in budget authority are requested to support \$2.3 billion in emergency agricultural programs. These proposals do not include income assistance to farmers for low commodity prices. On September 10th, Secretary Glickman communicated the Administration's support for such assistance through Senators Daschle and Harkin's proposal to remove the cap on marketing loan rates for 1998 crops. The Administration urges the Congress to act on this proposal. The Administration will work with the Congress to ensure that farm income losses are adequately addressed in the emergency legislation. The requests included in this package would fund the following emergency activities:

Department of Agriculture

- \$1,545.0 million to make supplemental indemnity payments to insured producers who have received crop insurance indemnity payments in at least three of the five crop years, 1994 through 1998, or two of the three crop years, 1996 through 1998, for an additional payment to insured producers who received crop insurance indemnity payments on their 1998 crop, and other payments.
- \$85.0 million to support emergency livestock assistance programs for losses due to natural disasters.
- \$50.0 million to compensate farmers and ranchers whose productive crop or pasture land has been inundated with water over an extended period of time and is expected to be under excessive water for at least another crop year.
- \$40.0 million to support the increased workload in Farm Service Agency county offices necessary to implement emergency farmer assistance programs.
- \$540.5 million in additional farm operating loan assistance, financed by \$31.4 million in budget authority.

- \$10.0 million to assist private forest landowners, communities, and local governments in recovery and mitigation efforts resulting from the recent Florida wildfires and other disasters.

Department of Labor

An emergency supplemental appropriation is requested that would provide \$7.0 million under the Migrant and Seasonal Farmworker Program of the Job Training Partnership Act to provide supportive services to migrant and seasonal farmworkers experiencing a loss of income due to crop failures related to drought and other weather-related difficulties in the South and Southwest.

Department of Defense

An emergency supplemental appropriation is requested that would provide \$253.8 million to restore DoD infrastructure and assets that have been severely damaged as a result of record-breaking monsoons striking the Republic of Korea. This request would fund the repair and restoration of transportation, housing, ammunition, supplies, and facilities. These activities are deemed necessary to ensure required readiness levels and the continued morale of troops stationed in the region. Funds would also be used to reconstruct housing, maintenance facilities, warehouses, and other buildings that were destroyed or are beyond economical repair.

Of the total amount requested, \$29.5 million would be made available contingent upon your submission of a later budget request to the Congress designating the entire amount requested as an emergency requirement. We will continue to monitor the progress of the cleanup and revitalization of the Armed Forces facilities in the region to ensure that progress is satisfactory.

Release of Previously Appropriated Emergency Funds

Public Law 105-78, the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act of 1998 provided \$300 million for the Low Income Home Energy Assistance Program (LIHEAP) in HHS, contingent upon the President submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement. Of the total amount provided, you have previously made available \$150 million for emergency needs. This request would make \$10 million available to low-income Alaskans facing unusually high heating costs due to the recent fisheries disaster.

Public Law 105-174, the 1998 Supplemental Appropriations and Rescissions Act, provided \$35 million for the Department of Transportation's Federal Highway Administration, contingent upon the President submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement. This request would make the entire \$35 million available to reimburse States for repairs caused by flooding and ice storms during this past winter and other disasters, including Hurricane Bonnie.

Public Law 103-327, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1995, provided \$12.5 million for FEMA's Disaster Assistance Direct Loan Program, contingent upon the President

submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement. In FY 1997, you released \$7.6 million of this amount for the community disaster loan program. This request would make the remaining \$4.9 million available to provide loans to three jurisdictions in Minnesota and North Dakota that were adversely affected by the severe flooding of the Red River in 1997.

I recommend that you designate all of these requests, except for the \$29,454,000 in DoD funds proposed to be provided on a contingent basis, as emergency funding requirements in accordance with section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

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 in recommending that you transmit these proposals to the Congress.

Sincerely,

JACOB J. LEW, *Director*.

Enclosures.

DEPARTMENT OF AGRICULTURE

RISK MANAGEMENT AGENCY

FEDERAL CROP INSURANCE CORPORATION FUND

For an additional amount for "Federal Crop Insurance Corporation Fund," \$1,545,000,000, to remain available until expended, of which \$935,000,000 is for supplemental indemnity payments to insured persons who have received crop insurance indemnity payments in at least three of the five crop years, 1994 through 1998, or two of the three crop years, 1996 through 1998: Provided, That the amount of such supplemental indemnity payment to each such person will be equal to 25 percent of the total indemnities received by such person during those years; of which \$460,000,000 is for additional supplemental indemnity payments to insured persons who have received crop insurance indemnity payments for crop year 1998: Provided, That the amount of such supplemental indemnity payment to each such person will be equal to 25 percent of the total indemnities received by such person on their 1998 crop; of which \$50,000,000 is for supplemental indemnity payments to persons insured under the Non-Insured Assistance Program: Provided, That the amount of such supplemental indemnity payment to each such person will be equal to 25 percent of the total indemnities received by such person on their 1998 crop; and of which \$100,000,000 shall be available to indemnify producers under terms and conditions prescribed by the Secretary of Agriculture for payments to other persons for losses on their 1998 crop: Provided, That those persons receiving a crop loss payment from the Secretary for a crop that was not insured but could have been under the Crop Insurance Program shall be required to sign up for crop insurance for the 1999 and 2000 crop years: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251 (b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

These funds would be used to make supplemental indemnity payments to insured producers who have received crop insurance indemnity payments in at least three of the five crop years, 1994 through 1998, or in at least two of the three crop years, 1996 through 1998. The amount of the payment would be 25 percent of the total indemnities each producer received during those years. An additional payment would also be provided to those who received a crop insurance indemnity payment on their 1998 crop, equal to 25 percent of the 1998 indemnity. These payments would be delivered through private crop insurance agents. As proposed, one payment would be made this Fall for those who qualify because they received at least three crop insurance indemnity payments on their 1994–1997 or 1996–1997 crops. Another payment would be made next Spring based on how the 1998 crop indemnity payments

changed the eligibility and payment rates for producers qualifying for multi-year loss payments, and the additional supplemental payment on 1998 crop losses would also be made at this time.

For those whose 1998 crops were covered under the Non-Insured Assistance program and who received an indemnity payment under this program for 1998 losses, a supplemental payment would also be provided next Spring, equal to 25 percent of their indemnity payment.

In addition, \$100 million would be provided to enable the Department of Agriculture to provide indemnity payments to those who suffered quality losses on their 1998 crop and to those who had 1998 crop losses who could have but have not signed up for crop insurance. Supplemental payments to these producers will be provided at 50 percent the rate of supplemental payments provided to those who signed up for crop insurance, and these producers must agree to sign up for crop insurance in the next two crop years in order to receive their payments.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

This supplemental request does not include income assistance to farmers for low commodity prices. On September 10th, Secretary Glickman communicated the Administration's support for such assistance through Senators Daschle and Harkin's proposal to remove the cap on marketing loan rates for 1998 crops. The Administration urges the Congress to act on this proposal. The Administration will work with the Congress to ensure that farm income losses are adequately addressed in the emergency legislation.

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses," \$40,000,000, to remain available until expended: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251 (b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

These funds would be used to support the increased workload in Farm Service Agency county offices necessary to implement emergency farm programs in FY 1999.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

COMMODITY CREDIT CORPORATION FUND

For an additional amount for "Commodity Credit Corporation Fund," \$135,000,000, to remain available until expended, of which

\$85,000,000 is for assistance to livestock producers affected by natural disasters, and \$50,000,000 is for compensation of owners or producers whose farmland has been flooded for more than one year such that the land was incapable of agricultural use for the 1998 crop year: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

These requested emergency supplemental funds for the Commodity Credit Corporation Fund would finance two programs:

- \$85 million would be used to support emergency livestock assistance programs for up to 30 percent of losses due to natural disasters. In recent years, the Department of Agriculture has funded a Foundation Livestock Relief Program, a Disaster Reserve Assistance Program, a Livestock Indemnity Program, and a Livestock Feed Program. However, the 1996 Farm Bill prevented further replenishment of the Disaster Reserve, and the requested funds would be used to carry out similar programs for livestock producers who have been affected by recent natural disasters.

- An additional \$50 million would be used for a new program to compensate farmers and ranchers in areas experiencing flooding or saturation by water over an extended period of time, whose productive crop or pasture land has been inundated with water in 1998 such that the land was useless for the 1998 crop year, and is expected to continue to be unusable for agriculture because of excessive water for at least another crop year. The proposed program would pay a proportion of the rental value of the land for 1998.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For an additional amount for "Agricultural Credit Insurance Fund Program Account" for the cost of direct and guaranteed loans authorized by 7 U.S.C. 1928–1929, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm operating loans, \$31,405,000, of which \$15,969,000 shall be for direct loans, \$13,696,000 for guaranteed subsidized loans, and \$1,740,000 for unsubsidized guaranteed loans: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251 (b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

This emergency supplemental request of \$31.405 million in budget authority would finance \$541 million in additional farm operating loan assistance: \$234 million for direct loans, \$157 million for subsidized guaranteed loans, and \$150 million in unsubsidized guaranteed loans. Low commodity prices and reduced crop insurance coverage for farmers who have suffered repeated natural dis-

asters have made many additional farmers unable to secure commercial credit without Federal assistance. This assistance will be particularly needed to help farmers obtain financing for their 1999 crop inputs, such as seed and fertilizer.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATE AND PRIVATE FORESTRY

For an additional amount for "State and Private Forestry" to assist private forest landowners, communities, and local governments in recovery and mitigation efforts resulting from recent destructive wildfires in Florida, and other natural disasters, \$10,000,000, to remain available until expended: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Act of 1985, as amended.

This emergency supplemental request would provide disaster assistance to communities to reduce hazards to life and property and repair forest resources affected by 1998 Florida wildfires and other disasters. Emergency work would focus on fire support, community assistance, and environmental mitigation. Environmental mitigation work would include seedling production for reforestation, forest health assistance, and community forestry to regenerate the damaged landscape and prevent erosion. Wildfire hazard reduction work would include analysis, State and community logistical support, and fire department training.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF DEFENSE

EMERGENCY RECOVERY TRANSFER FUND

EMERGENCY RECOVERY TRANSFER FUND

For emergency expenses, including military construction, incurred at United States military facilities or installations in the United States or overseas directly resulting from storm damage or other natural disasters, \$253,756,000, to remain available for transfer until September 30, 1999: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (the Act): Provided further, That the Secretary of Defense may transfer these funds to applicable appropriations and to working capital funds, to be merged with and available for the same purposes and for the same time period as the appropriation or fund to which transferred: Provided further, That this transfer authority is in addition to any transfer authority avail-

able to the Department of Defense: Provided further, That such funds may be used to execute projects or programs that were deferred in order to carry out emergency repairs resulting from such storm damage or other natural disasters: Provided further, That of such amount, \$29,454,000 shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Act is transmitted by the President to the Congress.

This request would provide funding for U.S. military installations to recover from monsoons in the Republic of Korea. The funds will cover costs for repair, clean-up, revitalization, and reconstruction of various Army and Air Force sites affected by the recent flooding.

Of the request, \$224,302,000 has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

Sec. From amounts made available in this or any other Act for military construction, the Secretary of the Army may acquire real property and carry out a military construction project at Camp Casey in Korea, in the amount of \$12,016,000.

This language proposal, accompanying the Emergency Recovery Transfer Fund appropriations request, would provide specific authority to spend appropriated funds on construction. The planned buildings will replace structures destroyed by the floods at Camps Nimble and Mobile. The replacement structures will be built at Camp Casey.

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

For an additional amount for "Training and Employment Services" to carry out section 402 of the Job Training Partnership Act, \$7,000,000, to remain available through June 30, 1999: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

This supplemental request would provide funds under the Migrant and Seasonal Farmworker Program of the Job Training Partnership Act to provide supportive services to migrant and seasonal farmworkers experiencing a loss of income due to crop failures related to drought and other weather-related difficulties in the South and Southwest. An estimated 20,000 participants would receive temporary shelter, meals, health care, transportation, and other emergency assistance, as authorized by the Act.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED MADE
AVAILABLE BY THE PRESIDENT

Department of Transportation:

Federal Highway Administration: Federal-aid highways: Emergency relief program \$35,000,000

Public Law 105-174, the 1998 Supplemental Appropriations and Rescissions Act provided a total of \$259 million for the Emergency Relief Program. Of this amount, the availability of \$35 million was made contingent upon the President submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement. The remaining \$224 million in emergency funding was available upon enactment.

At this time, the \$35 million in contingent emergency funding is required to reimburse States for repairs caused by flooding and ice storms during this past winter and other disasters, including Hurricane Bonnie.

EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED MADE
AVAILABLE BY THE PRESIDENT

Department of Health and Human Services:

Administration for Children and Families: Low-income home energy assistance program \$10,000,000

Public Law 105-78, the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act of 1998 provided \$300 million for the Low Income Home Energy Assistance Program (LIHEAP), contingent upon the President submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement.

Of the total provided, \$150 million has previously been made available. At this time, an additional \$10 million of the remaining \$150 million in contingent funding is required for low-income Alaskans facing unusually high heating costs due to the recent fisheries disaster.

EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED MADE
AVAILABLE BY THE PRESIDENT

Federal Emergency Management Administration:

Disaster assistance direct loan program account \$4,946,619

Public Law 103-327, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act of 1995 provided \$12.5 million for the Disaster Assistance Direct Loan Program, contingent upon the President submitting a budget request to the Congress and designating the entire amount requested as an emergency requirement.

In FY 1996, the President released \$7.6 million in loan subsidy budget authority for the community disaster loan program. At this time, the remaining \$4.9 million is required to provide loans to jurisdictions in Minnesota and North Dakota. These funds will provide loan principal of \$5.1 million that is distributed as follows:

Grand Forks Park District, \$1 million; City of East Grand Forks, \$2.7 million; and, the City of Ada, \$1.4 M. All three entities were adversely affected by the severe flooding of the Red River in 1997 and have experienced a substantial loss in operating budget revenue. The Grand Forks Park District and the City of Ada suffered a substantial loss of revenues, and the City of East Grand Forks suffered substantial loss of structure.

