



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

May 30, 2012
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 5854 – Military Construction and Veterans Affairs and Related Agencies
Appropriations Act, 2013
(Rep. Rogers, R-KY)

Last summer, the Congress and the President came to a bipartisan agreement to put the Nation on a sustainable fiscal course in enacting the Budget Control Act of 2011 (BCA). The BCA created a framework for more than \$2 trillion in deficit reduction and provided tight spending caps that would bring discretionary spending to a minimum level needed to preserve critical national priorities. Departing from the bipartisan agreement reached in the BCA and departing from the caps it put in place, the House of Representatives put forward a topline discretionary funding level for fiscal year (FY) 2013 that would cost jobs and hurt average Americans, especially seniors, veterans, and children. The funding level would also degrade many of the basic Government services on which the American people rely such as air traffic control and law enforcement. In addition, these cuts were made in the context of a budget that fails the test of balance, fairness, and shared responsibility by giving millionaires and billionaires a tax cut and paying for it through deep cuts, including to discretionary programs.

The appropriations bill for Military Construction and Veterans Affairs and Related Agencies funds critical priorities, but given the House's topline discretionary level for FY 2013, enactment of H.R. 5854 would require harmful cuts to other critical priorities such as education, research and development, job training, and health care as other appropriations bills are constructed.

If the President were presented with H.R. 5854, his senior advisors would recommend that he veto the bill.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of H.R. 5854, making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2013, and for other purposes.

Military Construction. The Administration appreciates the Committee's support for critical military construction projects, but strongly opposes incremental funding of the Aegis Ashore Missile Defense System Complex in Romania. The incremental funding of this project runs counter to sound budgeting principles and fiscal discipline.

Civilian Pay Freeze. The Administration objects to sections 129, 231, and 232, as well as any other effort to reduce pay for civilian personnel that would effectively extend the freeze on civilian pay through FY 2013. As the President stated in his FY 2013 Budget, a permanent pay

freeze is neither sustainable nor desirable. The Administration encourages the Congress to support the proposed 0.5 percent pay raise.

Arlington National Cemetery (ANC). The Administration appreciates the Committee's support for ANC programs, which will help address the Cemetery's burial and other operating issues.

Rider

The Administration strongly opposes problematic policy and language riders that have no place in funding legislation, including, but not limited to, the following provision in this bill:

Project Labor Agreements (PLAs). The Administration strongly opposes the provision that would effectively prohibit use of project labor agreements on Federal construction projects funded under this bill. PLAs can provide structure and stability to large construction projects, and allow agencies to complete these projects more efficiently. They can also help ensure compliance with laws and regulations governing workplace safety and health, equal employment opportunity, and labor and employment standards.

The Administration looks forward to working with the Congress as the FY 2013 appropriations process moves forward.

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