

THE WHITE HOUSE
WASHINGTON

March 31, 2000

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider the enclosed requests for FY 2001 budget amendments for the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, State, Transportation, and the Treasury; the Corps of Engineers; the Office of the United States Trade Representative; International Assistance Programs; the Small Business Administration; and, the Corporation for National and Community Service. In aggregate, the discretionary resources proposed in my FY 2001 Budget would not be affected by these requests.

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 J. Clinton in black ink.

Enclosure



THE DIRECTOR

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

March 31, 2000

The President

The White House

Submitted for your consideration are requests for FY 2001 budget amendments for the Departments of Agriculture (USDA), Commerce, Defense, Energy, Health and Human Services, State, Transportation, and the Treasury; the Corps of Engineers; the Office of the United States Trade Representative (USTR); International Assistance Programs; the Small Business Administration; and, the Corporation for National and Community Service. In total, the discretionary funding proposed in the FY 2001 Budget would not be affected by these amendments.

As described below and in more detail in the enclosures, the amendments include the following:

Trade Compliance Initiative

As part of your Administration's effort to build a rules-based trading system in which international trade is both free and fair, your FY 2001 Budget included a \$22.0 million initiative to strengthen the Federal Government's capacity to ensure that our trading partners comply with the multilateral and bilateral trade agreements that they have entered into with the United States. Of this total, \$21.2 million was requested to be provided to the International Trade Administration (ITA) in the Department of Commerce, and \$0.8 million was requested to be provided to the Foreign Agricultural Service (FAS) in USDA. The proposed budget amendments would reduce the pending FY 2001 appropriations request for ITA by \$5.0 million and reallocate that funding directly to the participating agencies, as follows:

- \$3.0 million is proposed to be provided to the Department of State to support the expansion of its cadre of economic officers dedicated to trade agreement monitoring and compliance;

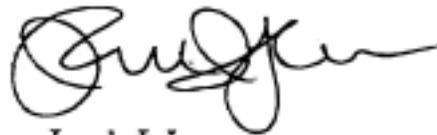
- \$1.3 million is requested to be provided to USTR to strengthen its ability to pursue a two-track strategy of negotiating new, effective agreements and ensuring that the terms of those agreements are fulfilled; and,
- \$0.7 million is proposed to be provided to USDA to strengthen its ability to provide technical support to FAS, USTR, and other agencies facing food safety, sanitary and phytosanitary, and biotechnology issues when negotiating new trade agreements and ensuring that the terms of those agreements are fulfilled.

Other FY 2001 Amendments

Technical amendments to your FY 2001 Budget are included in this transmittal for the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, State, Transportation, and the Treasury; the Corps of Engineers; International Assistance Programs; the Small Business Administration; and, the Corporation for National and Community Service.

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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jacob J. Lew', written in a cursive style.

Jacob J. Lew
Director

Enclosures

Agency: DEPARTMENT OF AGRICULTURE
Bureau: OFFICE OF THE SECRETARY
Heading: Office of the Secretary
FY 2001 Budget
Appendix Page: 57
FY 2001
Pending Request: \$3,314,000
Proposed Amendment: -\$400,000
Revised Request: \$2,914,000

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. The FY 2001 Budget proposes a total of \$2,914,000 for the Office of the Secretary.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF AGRICULTURE
Bureau: ANIMAL AND PLANT HEALTH INSPECTION SERVICE
Heading: Salaries and Expenses
FY 2001 Budget Appendix Page: 78
FY 2001 Pending Request: \$512,044,000
Proposed Amendment: \$400,000
Revised Request: \$512,444,000

(In the appropriations language under the above heading, delete "\$512,044,000," and substitute \$512,444,000, of which \$400,000 shall be for the support of foreign market access activities, to remain available until expended.)

This proposal would increase the pending FY 2001 appropriations request for the Animal and Plant Health Inspection Service (APHIS) by \$0.4 million. This increase is offset by a reduction to the International Trade Administration in the Department of Commerce, proposed in an accompanying budget amendment.

As part of President Clinton's effort to build a rules-based trading system in which international trade is both free and fair, the FY 2001 Budget includes a \$22.0 million initiative to strengthen the Federal Government's capacity to ensure that our trading partners comply with the multilateral and bilateral trade agreements that they have entered into with the United States. (Of this total, \$0.8 million was requested in the budget for the Department of Agriculture's Foreign Agricultural Service (FAS).)

The additional resources now requested for APHIS -- reallocated from funds originally requested in the Department of Commerce -- would strengthen APHIS' ability to provide technical support to FAS, the Office of the United States Trade Representative, and other agencies facing food safety, sanitary and phytosanitary, and biotechnology issues when negotiating new trade agreements and ensuring that the terms of those agreements are fulfilled. This amendment would support the enhancement of market-opening negotiations and their implementation.

Taken together, these proposed actions to reallocate funds originally requested in the Department of Commerce would not affect the proposed budget totals.

Agency: DEPARTMENT OF AGRICULTURE
Bureau: FOOD SAFETY AND INSPECTION SERVICE
Heading: Salaries and Expenses
FY 2001 Budget
Appendix Page: 81
FY 2001
Pending Request: \$687,904,000
Proposed Amendment: \$300,000
Revised Request: \$688,204,000

(In the appropriations language under the above heading, delete "\$687,904,000," and substitute \$688,204,000, of which \$300,000 shall be for the support of foreign market access activities, to remain available until expended.)

This proposal would increase the pending FY 2001 appropriations request for the Food Safety and Inspection Service (FSIS) by \$0.3 million. This increase is offset by a reduction to the International Trade Administration in the Department of Commerce, proposed in an accompanying budget amendment.

As part of President Clinton's effort to build a rules-based trading system in which international trade is both free and fair, the FY 2001 Budget includes a \$22.0 million initiative to strengthen the Federal Government's capacity to ensure that our trading partners comply with the multilateral and bilateral trade agreements that they have entered into with the United States. (Of this total, \$0.8 million was requested in the budget for the Department of Agriculture's Foreign Agricultural Service (FAS).)

The additional resources now requested for FSIS -- reallocated from funds originally requested in the Department of Commerce -- would strengthen FSIS' ability to provide technical support to FAS, the Office of the United States Trade Representative, and other agencies facing food safety, sanitary and phytosanitary, and biotechnology issues when negotiating new trade agreements and ensuring that the terms of those agreements are fulfilled. This amendment would support the enhancement of market-opening negotiations and their implementation.

Taken together, these proposed actions to reallocate funds originally requested in the Department of Commerce would not affect the proposed budget totals.

Agency: DEPARTMENT OF COMMERCE
Bureau: ECONOMIC DEVELOPMENT ADMINISTRATION
Heading: Salaries and Expenses
FY 2001 Budget
Appendix Page: 201
FY 2001
Pending Request: \$27,688,000
Proposed Amendment: \$1,500,000
Revised Request: \$29,188,000

This amendment would increase the pending FY 2001 appropriations request for the Economic Development Administration's (EDA's) Salaries and Expenses account by \$1.5 million. This increase is fully offset by a reduction to EDA's Economic Development Assistance Programs (EDAP) account, proposed in an accompanying budget amendment.

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. The EDA account structure does not allow program funds to be used for salaries and expenses. The budget inadvertently included some administrative costs in EDAP. As a result, the proposed funding shift between EDAP and the Salaries and Expenses account is necessary.

This proposal would increase FY 2001 outlays by \$1 million.

Agency: DEPARTMENT OF COMMERCE
Bureau: ECONOMIC DEVELOPMENT ADMINISTRATION
Heading: Economic Development Assistance Programs
FY 2001 Budget
Appendix Page: 201
FY 2001
Pending Request: \$409,250,000
Proposed Amendment: -\$1,500,000
Revised Request: \$407,750,000

This amendment would decrease the pending FY 2001 appropriations request for the Economic Development Administration's (EDA's) Economic Development Assistance Programs (EDAP) account by \$1.5 million. This decrease fully offsets an increase to EDA's Salaries and Expenses account, proposed in an accompanying budget amendment.

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. The EDA account structure does not allow program funds to be used for salaries and expenses. The budget inadvertently included some administrative costs in EDAP. As a result, the proposed funding shift between EDAP and the Salaries and Expenses account is necessary.

This amendment would not affect FY 2001 outlays.

Agency: DEPARTMENT OF COMMERCE
Bureau: INTERNATIONAL TRADE ADMINISTRATION
Account: Operations and Administration
FY 2001 Budget Appendix Page: 209
FY 2001 Pending Request: \$360,147,000
Proposed Amendment: -\$5,000,000
Revised Request: \$355,147,000

(In the appropriations language under the above heading, delete "\$360,147,000" and substitute \$355,147,000; delete "\$28,855,000" and substitute \$26,655,000; delete the phrase, "of which up to \$3,000,000 may be transferred to and merged with 'Diplomatic and Consular Programs,' Department of State, for joint trade compliance activities,,"; and delete "\$46,870,000" and substitute \$44,070,000.)

This amendment would reduce the pending FY 2001 appropriations request for the International Trade Administration (ITA) by \$5.0 million and would delete the proposed transfer of \$3.0 million to the Department of State. In accompanying budget amendments, the \$5.0 million reduction is proposed to be reallocated among the Departments of Agriculture (USDA) and State and the Office of the United States Trade Representative (USTR).

As part of President Clinton's effort to build a rules-based trading system in which international trade is both free and fair, the FY 2001 Budget includes a \$22.0 million initiative to strengthen the Federal Government's capacity to ensure that our trading partners comply with the multilateral and bilateral trade agreements that they have entered into with the United States. Of this total, \$21.2 million was requested to be provided to ITA and \$0.8 million was requested to be provided to the Foreign Agricultural Service in USDA. The proposed budget amendments would provide the funding directly to the participating agencies.

Taken together, these actions would not affect the proposed budget totals.

Agency: DEPARTMENT OF COMMERCE
Bureau: NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY
Heading: Industrial Technology Services
FY 2001 Budget Appendix Page: 229
FY 2001 Pending Request: \$339,604,000
Proposed Amendment: Language
Revised Request: \$339,604,000

(In the third paragraph under the above heading, delete "\$1,600,000" and substitute \$100,000.)

This proposal would amend the pending appropriations language for the National Institute of Standards and Technology's (NIST's) Industrial Technology Services account to reflect correctly the policy proposed in the FY 2001 Budget. Specifically, the amendment would decrease, by \$1.5 million, the amount available to be transferred to NIST's Working Capital Fund in support of the Institute for Information Infrastructure Protection (IIIP). The FY 2001 Budget proposes that IIIP support its mission through the provision of research grants rather than buying equipment. IIIP supports the development of technologies to protect our Nation's critical infrastructures through research into new technology safeguards.

This action would not affect the proposed budget totals.

Agency: DEPARTMENT OF DEFENSE
Bureau: OPERATION AND MAINTENANCE
Heading: Operation and Maintenance, Air Force
FY 2001 Budget
Appendix Page: 252
FY 2001
Pending Request: \$22,297,277,000
Proposed Amendment: -\$300,000
Revised Request: \$22,296,977,000

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. The FY 2001 Budget proposes a total of \$22,296,977,000, excluding the transfer from the National Defense Stockpile Transaction Fund, for Operation and Maintenance, Air Force.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF DEFENSE
Bureau: MILITARY CONSTRUCTION
Heading: Base Realignment and Closure Account
FY 2001 Budget
Appendix Page: 301
FY 2001
Pending Request: \$1,764,369,000
Proposed Amendment: -\$590,000,000
Revised Request: \$1,174,369,000

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. The FY 2001 Budget proposes a total of \$1,174,369,000 for Base Realignment and Closure.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF ENERGY

Heading: GENERAL PROVISIONS

FY 2001 Budget
Appendix Page: 429-430

FY 2001
Pending Request: ----

Proposed Amendment: Language

Revised Request: ----

(In section 305 under the above heading, delete the proviso.)

This proposal would amend a pending Department of Energy general provision to reflect correctly the policy proposed in the FY 2001 Budget. The printed general provision includes a prohibition on using Environmental Management program funds for Laboratory Directed Research and Development. This portion of the general provision should be deleted.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Bureau: ADMINISTRATION FOR CHILDREN AND FAMILIES

Heading: Social Services Block Grant

FY 2001 Budget

Appendix Page: 467

FY 2001

Pending Request: -----

Proposed Amendment: \$1,700,000,000

Revised Request: \$1,700,000,000

(In the paragraph under the above heading, delete the bracket at the beginning of the paragraph; insert brackets around "\$1,775,000,000" each time it appears and substitute \$1,700,000,000; insert brackets around "2000" and substitute 2001; and, delete the bracket at the end of the paragraph.)

This proposal would amend the appropriations language for the Social Services Block Grant (SSBG) to reflect correctly the current law policy proposed in the FY 2001 Budget. The budget proposes a total of \$1,700,000,000 for the SSBG under current law. The SSBG is a capped entitlement to States. The statutory language identifies the authorized level of funds for the program for FY 2001. The appropriations language was inadvertently marked for deletion in the FY 2001 Budget Appendix.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF STATE
Bureau: ADMINISTRATION OF FOREIGN AFFAIRS
Heading: Diplomatic and Consular Programs
FY 2001 Budget
Appendix Page: 707
FY 2000
Pending Request: \$3,101,325,000
Proposed Amendment: \$3,000,000
Revised Request: \$3,104,325,000

This proposal would increase the pending FY 2001 appropriations request for Diplomatic and Consular Programs of the Department of State by \$3.0 million. This increase is offset by a reduction to the International Trade Administration in the Department of Commerce, proposed in an accompanying budget amendment.

As part of President Clinton's effort to build a rules-based trading system in which international trade is both free and fair, the FY 2001 Budget includes a \$22.0 million initiative to strengthen the Federal Government's capacity to ensure that our trading partners comply with the multilateral and bilateral trade agreements that they have entered into with the United States. The additional resources now requested for the Department of State -- reallocated from funds originally requested in the Department of Commerce -- would support the expansion of the State Department's cadre of economic officers dedicated to trade agreement monitoring and compliance.

Taken together, these proposed actions to reallocate funds originally requested in the Department of Commerce would not affect the proposed budget totals.

Agency: DEPARTMENT OF TRANSPORTATION

Bureau: SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Heading: Operations and Maintenance
(Harbor Maintenance Trust Fund)

FY 2001 Budget
Appendix Page: 795

FY 2001
Pending Request: -----

Proposed Amendment: \$13,004,000

Revised Request: \$13,004,000

(In the appropriations title and language under the above heading, remove all the brackets; insert brackets around "\$12,042,000"; and, insert "\$13,004,000" after this bracketed number.)

This proposal would amend the pending appropriations language, which was inadvertently marked for deletion in the Budget Appendix, to reflect correctly the policy proposed in the FY 2001 Budget. The FY 2001 Budget proposes funding of \$13,004,000 for Operations and Maintenance.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF TRANSPORTATION

Bureau: SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Heading: Operations and Maintenance
(Harbor Services Fund)
(Legislative proposal)

FY 2001 Budget
Appendix Page: 796

FY 2001
Pending Request: -----

Proposed Amendment: -\$13,004,000

Revised Request: -\$13,004,000

(Insert the appropriations language that follows immediately under the above heading:)

Contingent upon the enactment of legislation to establish the Harbor Services Fund, no funds for "Operations and Maintenance" shall be derived from the Harbor Maintenance Trust Fund.

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. The FY 2001 Budget proposes funding of \$13,004,000 for Operations and Maintenance, to be derived from the Harbor Services Fund in lieu of the Harbor Maintenance Trust Fund. (This proposal is not subject to PAYGO.)

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY
Bureau: UNITED STATES CUSTOMS SERVICE
Heading: Harbor Maintenance Fee Collection
(Including transfer of funds)
(Legislative proposal, not subject to PAYGO)
FY 2001 Budget
Appendix Page: 848
FY 2001 Pending Request: -----
Proposed Amendment: -\$3,000,000
Revised Request: -\$3,000,000

(Insert the appropriations language that follows immediately under the above heading.)

Contingent upon the enactment of legislation to establish the Harbor Services Fund, no funds for "Harbor Maintenance Fee Collection" shall be derived from the Harbor Maintenance Trust Fund.

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. Specifically, this proposal would ensure that the U.S. Customs Service does not receive any funding from the Harbor Maintenance Trust Fund after enactment of the proposed legislation. A separate legislative proposal in the budget provides for the Customs Service Salaries and Expenses account to be reimbursed from the Harbor Services Fund.

This amendment would not affect the proposed budget totals.

Agency: CORPS OF ENGINEERS

Heading: Construction, General

FY 2001 Budget
Appendix Page: 910

FY 2001
Pending Request: \$1,346,000,000

Proposed Amendment: Language

Revised Request: \$1,346,000,000

(Delete the bracket before “such sums as are necessary” and the bracket after “Public Law 104-303” and delete \$250,000,000 shall be derived only from the Harbor Services Fund.)

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. Specifically, the amendment would replace funding proposed from the Harbor Services Fund, which is not yet authorized, with funding from the general fund and the Harbor Maintenance Trust Fund.

This amendment would not affect the proposed budget totals.

Agency: CORPS OF ENGINEERS

Heading: Construction, General
(Legislative proposal, not subject to PAYGO)

FY 2001 Budget
Appendix Page: 912

FY 2001
Pending Request: -----

Proposed Amendment: Language

Revised Request: -----

(Insert the appropriations language that follows immediately under the above heading.)

Contingent upon enactment of legislation to establish the Harbor Services Fund, for necessary expenses for construction of Federal ports and channels, \$250,000,000, to be derived only from the Harbor Services Fund: Provided, That the amount appropriated for "Construction, General" from sources other than the Harbor Services Fund shall be reduced by \$250,000,000: Provided further, That no funds shall be derived from the Harbor Maintenance Trust Fund.

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. Specifically, the amendment proposes to fund a portion of this account from the Harbor Services Fund after its enactment.

This amendment would not affect the proposed budget totals.

Agency: CORPS OF ENGINEERS
Heading: Operation and Maintenance, General
FY 2001 Budget
Appendix Page: 912
FY 2001
Pending Request: \$1,854,000,000
Proposed Amendment: Language
Revised Request: \$1,854,000,000

(Delete the bracket before “such sums as become available” and the bracket after “may be derived from that Fund”; and, delete the phrase, \$700,000,000 shall be derived only from the Harbor Services Fund.)

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. Specifically, the amendment proposes to fund a portion of this account from the Harbor Services Fund after its enactment.

This proposal would not affect the proposed budget totals.

Agency: CORPS OF ENGINEERS

Heading: Operation and Maintenance, General
(Legislative proposal, not subject to PAYGO)

FY 2001 Budget
Appendix Page: 913

FY 2001
Pending Request: -----

Proposed Amendment: \$700,000,000

Revised Request: \$700,000,000

(Insert the appropriations language that follows immediately under the above heading.)

Contingent upon enactment of legislation to establish the Harbor Services Fund, for necessary expenses for operation and maintenance of Federal ports and channels, \$700,000,000, to be derived only from the Harbor Services Fund: Provided, That no funds shall be derived from the Harbor Maintenance Trust Fund.

This proposal is necessary to reflect correctly the policy proposed in the FY 2001 Budget. Specifically, the amendment proposes to fund a portion of this account from the Harbor Services Fund after its enactment.

This amendment would not affect the proposed budget totals.

Agency: CORPS OF ENGINEERS

Heading: Harbor Services Fund
(Legislative proposal, not subject to PAYGO)

FY 2001 Budget
Appendix Page: 918

FY 2001
Pending Request: -----

Proposed Amendment: Language

Revised Request: -----

(In the appropriations language under the above heading, delete the phrase beginning “expended: Provided.” through the end of the paragraph and insert expended.)

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. This amendment to the Harbor Services Fund would delete a proviso that inadvertently derived funding for four accounts from the general fund. Only one of the four accounts receives general fund appropriations (Construction, General) and should show a reduction. In addition, appropriations from the Harbor Maintenance Trust Fund to the four accounts should cease after authorization of the Harbor Services Fund. The appropriate change to each account is proposed in accompanying budget amendments.

This amendment would not affect the proposed budget totals.

Agency: EXECUTIVE OFFICE OF THE PRESIDENT

Bureau: OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Heading: Salaries and Expenses

FY 2001 Budget Appendix Page: 955

FY 2001 Pending Request: \$28,300,000

Proposed Amendment: \$1,300,000

Revised Request: \$29,600,000

This amendment would increase the pending FY 2001 appropriations request for the Office of the United States Trade Representative (USTR) by \$1.3 million. This increase is offset by a reduction to the International Trade Administration in the Department of Commerce, proposed in an accompanying budget amendment.

As part of President Clinton's effort to build a rules-based trading system in which international trade is both free and fair, the FY 2001 Budget includes a \$22.0 million initiative to strengthen the Federal Government's capacity to ensure that our trading partners comply with the multilateral and bilateral trade agreements that they have entered into with the United States. This amendment would increase the resources available to USTR -- reallocated from funds originally requested in the Department of Commerce -- to strengthen USTR's ability to pursue a two-track strategy of negotiating new, effective agreements and ensuring that the terms of those agreements are fulfilled.

The additional resources requested would support 13 new positions at USTR to enhance market-opening negotiations and their implementation. The new positions would be created in four areas of expertise -- legal, economic, geographic, and sectoral -- and would be devoted to monitoring and enforcement of trade agreements.

Taken together, these proposed actions to reallocate funds originally requested in the Department of Commerce would not affect the proposed budget totals.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS

Heading: International Organizations and Programs

FY 2001 Budget
Appendix Page: 1000

FY 2001
Pending Request: \$356,000,000

Proposed Amendment: -\$2,000,000

Revised Request: \$354,000,000

(In the appropriations language under the above heading, delete “\$356,000,000” and substitute \$354,000,000, of which up to \$50,000,000 may be used for a contribution to the Global Fund for Children’s Vaccines.)

This proposal would reduce the pending request as shown in the appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. The FY 2001 Budget proposes a total of \$354.0 million for the International Organizations and Programs account. Of this amount, up to \$50.0 million may be used for a contribution to the Global Fund for Children’s Vaccines (of the Global Alliance for Vaccines and Immunizations).

This amendment would not affect the proposed budget totals.

Agency: SMALL BUSINESS ADMINISTRATION

Program: Business Loans Program Account

FY 2001 Budget
Appendix Page: 1084

FY 2001
Pending Request: \$194,360,000 (guaranteed loans)

Proposed Amendment: -\$3,900,000

Revised Request: \$190,460,000 (guaranteed loans)

This proposal would amend the pending FY 2001 appropriations language for the cost of guaranteed loans to reflect correctly the policy proposed in the FY 2001 Budget. The subsidy model for the Small Business Investment Company (SBIC) program was inadvertently miscalculated at the time the budget was prepared. This miscalculation resulted in an unnecessary request for SBIC appropriations of \$3.9 million, based on a 0.78 percent subsidy rate. The correct subsidy rate is -0.82 percent, eliminating the need for an FY 2001 appropriation for this program.

While no FY 2001 appropriations are now requested for SBIC, subsequent legislation will be submitted to reduce the annual fees from one percent of the unpaid balance to 0.88 percent for FY 2001. This legislative action would, therefore, change the FY 2001 subsidy rate from -0.82 percent to zero percent.

Agency: CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Heading: National Community Service Programs, Operating Expenses

FY 2001 Budget Appendix Page: 1115

FY 2001 Pending Request: \$533,700,000

Proposed Amendment: Language

Revised Request: \$533,700,000

(In the paragraph under the above heading, after the phrase, "for high school students performing community service", insert the following: ; of which not more than \$284,000,000 is for grants under the National Service Trust program authorized under subtitle C of title I of the Act (relating to activities including the AmeriCorps program), of which not more than \$51,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121 (b)(2);)

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2001 Budget. The amendment is necessary to reflect correct funding levels and appropriations language consistent with the policy proposed in the budget.

This amendment would not increase the proposed budget totals.