



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

September 17, 2003
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 1391 -- DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES, APPROPRIATIONS BILL FY 2004

(Sponsors: Stevens (R), Alaska; Byrd (D), West Virginia)

The Administration supports Senate passage of the FY 2004 Interior and Related Agencies Appropriations Bill. The Administration is pleased that the bill provides critical resources for high priority conservation programs.

The Administration applauds the Committee for reporting this bill in a timely manner and looks forward to working with the Congress to ensure that the FY 2004 appropriations bills ultimately fit within the top line funding level agreed to by both the Administration and the Congress. The President supports a discretionary spending total of \$785.6 billion, along with advance appropriations for FY 2005 – consistent with his Budget and the FY 2004 Congressional Budget Resolution. Only within such a fiscal environment can we encourage increased economic growth and a return to a balanced budget. The Administration looks forward to working with the Congress to ensure that its priorities are met within that overall total.

Additional Administration views regarding the Committee's version of the bill are:

Select Initiatives

The Administration is concerned that the bill fails to fully support the President's request for key Administration initiatives. In particular, the bill falls \$16 million short of the request for the President's Hydrogen Fuel Initiative, which seeks to make our air cleaner and our country less dependant on foreign sources of energy. The bill provides \$15 million of the \$25 million requested for "an American history and civics" initiative within the National Endowment for the Humanities. The Administration urges the Congress to fully fund the President's "We the People" initiative, which would promote understanding of the ideas and events that have shaped our Nation. The Administration strongly objects to these reductions and urges the Congress to provide the full request for these Presidential initiatives.

Wildland Firefighting

The Administration strongly opposes the Senate's reduction in the President's request for

critically needed wildland fire suppression funding in the Forest Service. The Administration's request, which includes full funding for the 10-year average of suppression costs in both the Agriculture and Interior Departments, should be restored for the Forest Service.

Department of the Interior

The Administration commends the Senate for funding high priority programs such as Landowner Incentive, Private Stewardship Grants, and the Cooperative Conservation Initiative. The Administration encourages the Senate to extend the Recreation Fee Demonstration authority, and to provide the requested increases in the National Wildlife Refuge System operations. The Administration is also concerned about the Senate's failure to fully fund the request for Indian trust reform and related activities.

The Administration is disappointed that the bill funds programs from the Land and Water Conservation Fund at levels significantly below the Administration's request. In addition, the bill fails to include \$40 million requested to buy mineral rights in Big Cypress National Preserve, Florida. This investment would prevent future development of oil and gas in the Preserve and thereby contribute to Everglades restoration. The Administration encourages the Senate to fully fund these important programs.

The Administration strongly opposes section 134, which would exempt Tribes operating Indian trust programs under Self-Governance compacts from any newly adopted fiduciary trust standards, processes, or systems. The Secretary of the Interior cannot be accountable for the results of tribal trust administration, but unable to ensure tribal compliance with trust standards. The Senate is urged to delete this provision.

Department of Agriculture

The Administration urges the Senate to provide the requested level for the Forest Stewardship program, which protects critically important private forest lands for a variety of conservation purposes. The Senate bill includes increases for the Economic Action Program and Infrastructure Improvement initiative that were not included in the President's request – these increases come at the expense of high priority programs included in the President's Budget, including wildland fire suppression.

Department of Energy

The Administration opposes the \$58 million reduction from the President's \$288 million request for the Weatherization Assistance Program, which assists low-income families with their energy bills while conserving energy for the Nation. The President is committed to increasing funding for this program by \$1.4 billion over 10 years. The Senate could restore funds for this program from the lower priority unrequested fossil energy research and development activities discussed below.

The Administration objects to the \$74 million increase over the President's request for fossil energy research and development activities. Of particular concern are the \$15 million increase for natural gas technologies and the \$19.5 million increase for petroleum technologies. The Administration's evaluation of these programs using the Program Assessment Rating Tool and the Research and Development Investment Criteria found that these programs do not clearly link annual activities and products to long-term benefits, had generally poor performance and results, and often duplicated industry funded work. The President's request refocuses these programs on long-term, high-risk research, and we urge the Senate to adopt this approach. While the Administration appreciates the full funding of the President's Clean Coal Power initiative, the Administration urges the Senate to consolidate all coal research within the Office of Fossil Energy, as requested. The \$97 million deferral of idle Clean Coal Technology funds highlights the need for reform. At minimum, the Administration strongly encourages the Senate to make available prior year Clean Coal Technology funds for the Administration's "FutureGen" program to create the world's first zero-emissions fossil fuel plant.

The Administration also urges the Senate to restore funding for the National Climate Change Technology Initiative Competitive Solicitation program, a key component of the President's strategy to fund innovative technologies that can significantly reduce greenhouse gas emissions.

Indian Health Service

The Administration is concerned that the Senate bill fails to fund the requested \$21 million increase for the construction of sanitation facilities. Safe water and waste disposal is critical to improving the health of Indian people, specifically by reducing infant mortality and gastrointestinal disease.

The Report accompanying this bill expresses support for the provision in the Senate version of the FY 2004 Labor, Health and Human Services, Education and Related Agencies Appropriations Bill that would effectively prohibit Indian Health Service funds from being used to help the Department of Health and Human Services carry out or administer a human resources consolidation plan. Such consolidations are important in increasing the Secretary's ability to operate the Department efficiently and effectively, and will help create a more cohesive, responsive operation. The Administration urges the Senate to delete the prohibition in its version of the Labor, Health and Human Services, Education and Related Agencies Appropriations Bill, since it will prevent the Indian Health Service from using funds provided in this bill for the consolidation plan.

Competitive Sourcing

The Administration understands that amendments may be offered on the Senate Floor that would effectively shut down the Administration's Competitive Sourcing initiative to fundamentally improve the performance of the government's many commercial activities. The Administration seeks to improve the performance of government services based on the common sense principle of competition - a proven way of protecting taxpayers' dollars while providing better service and performance

enhancements. Now is the wrong time to short-circuit implementation of this principle, especially since numerous agencies are starting to make real progress in this area. Prohibiting public-private competitions is akin to mandating a monopoly regardless of the impact on services to citizens and the added costs to taxpayers. If the final version of the bill contained such a provision, the President's senior advisers would recommend that he veto the bill.

Constitutional Concerns

The Administration urges Congress to revise the several unconstitutional provisions in the Act that purport to require the executive branch to obtain approval or consent of congressional committees for the execution of a law. The provisions should call for notification to Congress rather than for committee approval or consent, so that the provisions are consistent with the constitutional principles set forth by the U.S. Supreme Court in 1983 in *INS V. Chadha*. Also, the provisions that purport to require executive branch submission of requests for supplemental appropriations should be revised to provide for such submission only when the President judges it necessary and expedient, as the Recommendations Clause of the Constitution provides.

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