



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

May 26, 2005
(House)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2528 – Military Quality of Life and Veterans Affairs, and Related Agencies
Appropriations Bill, FY 2006

(Sponsors: Lewis (R) California; Obey (D) Wisconsin)

The Administration supports House passage of the FY 2006 Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations Act, as reported by the House Committee.

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 2006 appropriations bills do not exceed the \$843-billion discretionary funding level proposed in the President's FY 2006 Budget and contained in the FY 2006 Congressional Budget Resolution. Sustaining the economy's expansion requires strong Federal spending discipline. The President's Budget includes over 150 savings and reforms and was the first to propose reducing non-security discretionary spending since the Reagan Administration. The Administration urges Congress to shift funding from lower priorities and, as assumed in the Budget Resolution, hold spending in the non-security discretionary category below last year's level.

Although the bill is largely supportive of the President's request, the Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Base Realignment and Closure

The Administration opposes the \$310-million funding reduction for implementing recommendations of the 2005 Base Realignment and Closure (BRAC) Commission. This reduction would slow BRAC implementation and thus delay achievement of the mission improvements provided by BRAC changes, costing DOD more money over the long-term. Delaying the completion of base closures and realignments would also hinder community efforts to quickly reuse DOD facilities and mitigate the economic impact of BRAC actions.

Military Construction

The Administration appreciates the Committee's support for military construction and family housing priorities, which will improve the quality of life of our service members. The Administration is concerned, however, that projects funded in the bill exceed the President's request by over \$0.5 billion. This additional funding for roughly 80 unrequested projects could potentially constrain the ability to support higher-priority programs in other areas.

Department of Veterans Affairs (VA)

The Administration appreciates the Committee's support of the President's request to fully fund services and benefits to veterans. The Administration is concerned, however, that the Committee reduced crucial medical care information technology spending by \$383 million (almost 20 percent). This funding is needed to provide clinicians and veterans ready access to health information and ensure seamless transitions between DOD and VA medical facilities. Congress is urged to consider the President's proposal to increase drug co-payments (from \$7 to \$15), charge an annual \$250 enrollment fee to higher-income non-service-disabled veterans, and, for veterans in state long-term care facilities, limit per diems to only those veterans who are service-disabled or have special needs. Support for these proposals will ensure resources are focused on VA's core medical care mission—veterans with military disabilities, lower incomes, and special needs.

The Energy Conservation Investment Program (ECIP)

The Administration urges full funding for ECIP, which generates more than three dollars of savings for every dollar invested. By reducing ECIP funding by \$10 million, the Committee's bill would cause taxpayers to lose more than \$30 million in savings from these investments.

Transfer Authority

In order to preserve the flexibility needed by the Department of Defense to meet changing requirements during the fiscal year, the Administration urges Congress to include transfer authority in Title I of the bill to permit the transfer of funds between Basic Allowance for Housing accounts, Facilities Sustainment, Restoration and Modernization accounts, the Defense Health Program account, and accounts appropriated in the Department of Defense Appropriations Act.

Constitutional Concerns

Sections 107, 110, and 113 of the bill call for prior notice to congressional committees of relocation of activities between military installations, initiation of a new installation abroad, or U.S. military exercises involving \$100,000 or more in construction costs. Noting that the Supreme Court has stated that the President's authority to classify and control access to information bearing on national security flows from the Constitution and does not depend upon a legislative grant of authority, and recognizing that notice can be provided in most situations as a matter of comity, situations may arise, especially in wartime, in which the President must act promptly under his constitutional authority while protecting sensitive national security information. Accordingly, these provisions should be amended to call for giving prior notice unless, in the exercise of constitutional authority, the President directs otherwise.

The Administration objects to a number of provisions in the bill, including Sections 131 and 211, that would purport to require Committee approval before Executive Branch execution. These provisions should be changed to require only notification of Congress, since any other interpretation would contradict the Supreme Court's ruling in *INS v. Chadha*.

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