



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

June 28, 2006
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5672 – Science, State, Justice, Commerce, and Related Agencies

Appropriations Bill, FY 2007

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

The Administration supports House passage of the FY 2007 Science, State, Justice, Commerce, and Related Agencies Appropriations Bill, as reported by the House Committee and commends the Committee for reporting this bill in a timely manner.

The President's FY 2007 Budget holds total discretionary spending to \$872.8 billion and cuts non-security discretionary spending below last year's level. The Budget funds priorities and meets these limits by proposing to reform, reduce, or terminate 141 lower-priority programs. The Administration urges Congress to fund priority needs while holding spending to these limits, and objects to the use of gimmicks to meet those limits. The Administration looks forward to working with Congress to adopt the President's proposals to cut wasteful spending in order to maintain fiscal discipline to protect the American taxpayer and sustain a strong economy.

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.

American Competitiveness Initiative

The Administration credits the Committee for making basic research a priority of the bill and applauds the Committee for funding the President's American Competitiveness Initiative. Sustained scientific advancement and innovation are key to maintaining our competitive edge. The \$6.02 billion for the National Science Foundation and the \$535 million for the core programs of the National Institute of Standards and Technology represent an important first step towards the President's goal of doubling funding for key basic research programs in the physical sciences over 10 years.

Department of Commerce

The Administration commends the Committee for its support of the Census Bureau, especially in providing funding for the American Community Survey and 2010 Census testing and planning. In addition, the Administration appreciates the Committee's adoption of a number of savings proposals, such as termination of the Advanced Technology Program and the phasing of funding for the Manufacturing Extension Program to non-Federal sources, consistent with its original statute.

Both the Administration's Ocean Action Plan and the U.S. Commission on Ocean Policy highlight the importance of better stewardship of the Nation's ocean and coastal resources. Accordingly, the Administration objects to the bill's reductions to requested funding for activities in fisheries and coastal areas. The Administration also objects to reductions in funding targeted to assist the Pacific salmon population and other activities fulfilling the National Oceanic and Atmospheric Administration's responsibilities under the Endangered Species Act and Marine Mammal Protection Act. The requested funds would help address numerous key economic and environmental concerns, including the recovery of fish stocks.

The Administration urges the Committee to support the President's request for the Department of Commerce's component of the Asia-Pacific Partnership, which will support exports of U.S. clean energy technologies, while advancing the President's goals of enhancing energy security, reducing harmful air pollution and greenhouse gas emission intensity in the context of sustained economic growth.

The Administration urges the House to provide the U.S. Patent and Trademark Office (USPTO) full access to its 2007 expected fee collections to ensure USPTO can respond to its estimated workload, and retain longstanding language that would reduce spending authority should fee collections be below this estimated level. The Administration also urges the House to provide requested funding for the Department of Commerce's share of renovation costs for its headquarters building. Without this funding, necessary upgrades to infrastructure and security would be delayed. In addition, the Administration is concerned about the reduction to the request and urges the House to provide funds for the Economic Development Administration to support the improved focus of development programs through the Strengthening America's Communities Initiative and assist with base closure and realignment activities in the coming year.

Department of Justice (DOJ)

The Administration appreciates the Committee's support for the many law-enforcement and counter-terrorism activities within DOJ – especially for the Federal Bureau of Investigation, the Drug Enforcement Administration, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and the U.S. Marshals Service. The Administration also appreciates the Committee's support for the Bureau of Prisons and the Detention Trustee. However, the House is urged to provide the requested level of funding for General Administration and General Legal Activities.

The Administration is concerned that the Committee provides \$1.1 billion more than requested for certain State and local assistance programs, while reducing funding for key programs, including Capital Litigation Improvement Grants, USA Freedom Corps, the Prisoner Re-Entry Initiative, and Drug Courts. The Administration urges the House to fund these priority programs.

Each year, Congress enacts obligation limitations for the Crime Victims Fund. Without the obligation limitation, the formula under which most funds are spent would result in a dramatic spike in mandatory spending over the prior year – based on unspent balances carried in the Fund in recent years. As a result of these funding delays, discretionary savings have been credited when no reduction in spending is fully implemented. The Committee has delayed the

expenditure of \$1.3 billion from the Crime Victims Fund. In recent years, roughly the same amount in savings has been claimed each year by including similar language. The Administration urges the House to achieve *permanent* savings by canceling, rather than temporarily blocking, the excess funding for this program.

Department of State

The Administration appreciates the support provided by the Committee for State Department programs, including worldwide security programs and capital security construction. However, the Committee bill underfunds the Educational and Cultural Exchange Program and the National Endowment for Democracy (NED), which are important to building and supporting democracies around the world. Educational and cultural exchanges ensure that people abroad understand America, its values, and its way of life, while NED trains future leaders and civil society to build and sustain democratic governments. This level of funding would also restrict development of the newly created National Security Language Initiative. The Administration looks forward to working with Congress to ensure that these programs receive the requested level of funding.

The Committee bill also funds the Diplomatic and Consular Programs (D&CP) account at below the projected current services level and places at risk several of the Administration's highest priorities, including personnel requirements associated with Transformational Diplomacy, enhanced foreign language training, and efforts to strengthen the Office of the Coordinator for Reconstruction and Stabilization. All of these will direct U.S. attention at critical national security challenges with dedicated resources and trained personnel. The Administration urges the House to provide the funding requested for this critical account.

The Administration appreciates that the Committee provides funding of the President's request for Contributions to International Peacekeeping Activities. However, the Administration is concerned that the bill provides \$117 million below the request for Contributions for International Organizations (CIO), which would prevent the United States from fully meeting current international obligations to the United Nations and other international organizations. Such reduced funding would also limit the ability to advance U.S. foreign policy interests through multilateral diplomacy and would marginalize efforts to help ensure that international organizations become and remain efficient and effective.

The Administration opposes section 411 of the House bill as it could have unintended negative consequences, potentially undermining the sharing of law enforcement information and undercutting efforts by the U.S. Government to fight corruption overseas.

The Administration also opposes section 622 because it is contrary to U.S. foreign policy and national security interests. It would limit the U.S. Government's ability to control the transfer of defense articles and the authority of the President to determine what items no longer warrant export control under the Arms Export Control Act. Similarly, the Administration opposes section 623, which could undermine essential national security and foreign policy efforts to ensure that foreign governments comply with their obligations applicable to the end-use, retransfer, and security of defense articles.

Broadcasting Board of Governors

The Administration appreciates the House's support for U.S. international broadcasting, especially increased support for broadcasting to the Middle East. However, the Administration opposes provisions in the House bill to continue radio broadcasting in several languages. The Budget proposed to shift funding from these programs to fund broadcasting improvements that will reach larger audiences in countries that play a key role in supporting U.S. foreign policy objectives.

National Aeronautics and Space Administration (NASA)

The Administration appreciates the Committee's continued support for NASA. However, the Administration urges that the \$151 million reduction to the President's Budget for NASA Exploration be restored so as to not delay progress on the President's Vision for Space Exploration. The Committee is also commended for keeping NASA free from items that would divert necessary resources from ongoing and coherently planned science and technology efforts.

Small Business Administration (SBA)

The Administration is concerned with the \$16 million reduction in the SBA's administrative funds, which would affect its ability to modernize systems and effectively manage its large credit portfolio. The House is urged to restore funding for these activities by eliminating the \$20 million in unrequested SBA earmarks included in the bill.

Federal Communications Commission

The Administration appreciates the support provided for the Federal Communications Commission, particularly the partial funding of the request to expand the independent audits of the Universal Service Fund program.

President's Management Agenda

The Administration strongly opposes the reprogramming requirements for E-Government interagency funding transfers. As required by the Clinger-Cohen Act and the E-Government Act, agencies are working together as one Federal enterprise to reduce duplicative information technology investments while improving service delivery and lowering costs overall of their operations. The reprogramming requirements impede the ability of the agencies to fully participate and utilize the services to the maximum extent possible.

Constitutional Concerns

Provisions of the bill that purport to direct or burden the conduct of foreign relations, and of negotiations with foreign countries or international organizations, as well as condition the President's decisions regarding the use of armed forces, should be amended to make the provisions consistent with the constitutional authority of the President to conduct the Nation's foreign relations and his constitutional authority as Commander in Chief. These provisions include sections 405, 406, 624, 625, 626, and 628, and under the heading, "Contributions for International Peacekeeping Activities."

The reference in section 605(b) to items “approved by Congress” should be amended to refer to items “approved by law,” as passage of a law is the only means by which the House and Senate together can bind the Executive Branch.

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