



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

July 24, 2007
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3093 – Departments of Commerce and Justice, Science, and Related Agencies Appropriations Act, 2008

(Sponsor: Obey (D), Wisconsin)

The Administration strongly opposes H.R. 3093 because, in combination with the other FY 2008 appropriations bills, it includes an irresponsible and excessive level of spending and includes other objectionable provisions.

The President has proposed a responsible plan for a balanced budget by 2012 through spending restraint and without raising taxes. To achieve this important goal, the Administration supports a responsible discretionary spending total of not more than \$933 billion in FY 2008, which is a \$60 billion increase over the FY 2007 enacted level. The Democratic Budget Resolution and subsequent spending allocations adopted by the House Appropriations Committee exceed the President's discretionary spending topline by \$22 billion causing a 9 percent increase in FY 2008 discretionary spending. In addition, the Administration opposes the House Appropriations Committee's plan to shift \$3.5 billion from the Defense appropriations bill to non-defense spending, which is inconsistent with the Democrats' Budget Resolution and risks diminishing America's war fighting capacity.

H.R. 3093 exceeds the President's request for programs funded in this bill by \$2.3 billion, part of the \$22 billion increase above the President's request for FY 2008 appropriations. The Administration has asked that Congress demonstrate a path to live within the President's topline and cover the excess spending in this bill through reductions elsewhere, while ensuring the Department of Defense has the resources necessary to accomplish its mission. Because Congress has failed to demonstrate such a path, if H.R. 3093 were presented to the President, he would veto the bill.

The President has called on Congress to reform the earmarking process that has led to wasteful and unnecessary spending. Specifically, he called on Congress to provide greater transparency and full disclosure of earmarks, to put them in the language of the bill itself, eliminate wasteful earmarks, and to cut the cost and number by at least half. The Administration opposes any efforts to shield earmarks from public scrutiny and urges Congress to bring full transparency to the earmarking process and to cut the cost and number of earmarks by at least half.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

American Competitiveness Initiative (ACI)

The Administration commends the Committee's implementation of ACI with its strong support for the National Science Foundation (NSF) and the standards and research activities of the National Institute of Standards and Technology. However, the Administration supports neither the additional \$72 million above the request allocated to NSF education programs that lack proven effectiveness, nor report language that seeks to allocate funds away from the NSF research programs that most directly contribute to America's economic competitiveness.

Department of Commerce

The House bill reflects the strong support for Commerce programs, particularly in the areas of science, environmental stewardship, and statistics. However, the Administration does not support the nearly \$475 million of unrequested funding for the Department.

The overall funding level for the National Oceanic and Atmospheric Administration is more than \$140 million above the request, and the House is urged to reduce lower priority items and earmarks for local projects without meaningful national benefits. The Administration also seeks its request for funding the Oceans Initiative to advance ocean science and research, protect and restore sensitive marine and coastal areas, and ensure sustainable use of ocean resources.

The Administration believes that the Committee's interest in the accuracy of the decennial census can be addressed within requested amounts. In addition, the Administration strongly recommends restoring the \$25 million reduction from the current economic statistics base programs. This reduction would result in the elimination of a number of economic surveys, which provide critical data for gross domestic product and other important economic indicators.

The Administration does not support the additional \$100 million for the Economic Development Administration or the extra \$155 million provided for the Hollings Manufacturing Extension Partnership (MEP) Program and the Advanced Technology Program (ATP). MEP centers can be sustained with reduced Federal funding by economizing on costs such as excessive marketing activities and through increased contributions from clients for MEP consulting services that most firms secure through the private sector. The Administration believes that ATP, which was headed for termination in FY 2007, subsidizes commercial research and development activities that are inappropriate for Federal funding and should be supported by private investment.

The Administration opposes the unrequested \$22 million for the Public Telecommunications Facilities, Planning and Construction grants program, which overlaps with funding available through the Corporation for Public Broadcasting. The Administration also opposes the additional \$5 million for International Trade Administration earmarks, which is inconsistent with and detracts from the bureau's mission of removing trade barriers and promoting American exports. The extension of the Emergency Steel Loan Guarantee Program provides an unwarranted subsidy and should be deleted from the bill.

The House is urged to consider the recently transmitted budget amendment that would provide the Patent and Trademark Office greater assurance of access to fees in the year of collection.

The Committee's rescission of \$42 million of unobligated balances will be difficult for

Commerce to implement and may cause program disruptions.

Department of Justice

The President's Budget provides strong support for the Federal Bureau of Investigation (FBI), other Federal law enforcement activities, and other criminal justice efforts. The Administration is disappointed that funding in the bill for State and local law enforcement assistance exceeds the request by \$1.7 billion. By continuing to fund numerous small, ineffective, and formula-based grant programs, the Committee has failed to effectively target funds to meet national priorities where they are most needed and for the purposes for which they are most needed. The Administration has proposed to consolidate 70 plus programs into four flexible and competitive grants, which would ensure that resources are targeted effectively and efficiently to address critical criminal justice priorities across the Nation. The Administration is further disappointed by the Committee's failure to provide \$200 million requested for the Violent Crime Reduction Partnership Initiative, which would competitively deploy funds to facilitate Federal, State, and local law enforcement partnerships to address violent crime, drugs, and gangs where assistance is most needed.

National Aeronautics and Space Administration (NASA)

The Administration supports the House's full funding for NASA's Exploration Systems and Space Shuttle. However, the Administration does not endorse funding in excess of the request for Aeronautics, Education, and Science, where increases for near-term support would create unsustainable outyear funding requirements. The Administration also strongly objects to reductions to the Tracking and Data Relay Satellite Continuation Project that would reduce the future system availability of critical space communications capabilities for NASA and other partner agencies. The Administration further objects to the proposed establishment of several new appropriations accounts in FY 2008, that are not necessary and would adversely impact NASA's financial management system, processes, and controls.

Equal Employment Opportunity Commission

The Administration objects to the bill's provision eliminating funding for the National Contact Center (NCC), which was established as a result of a National Academy of Public Administration recommendation. Terminating the NCC without a system in place to handle the NCC's workload would cut off services to claimants, and moving the NCC in-house will result in an estimated \$3 million per year in additional costs.

President's Management Agenda

Section 515 requiring reprogramming notification for E-Government initiative funds should be deleted. This delays funding for systems supporting agency core missions and operations.

Employment Eligibility Verification System

The Administration supports the use of the Employment Eligibility Verification System, previously known as the Basic Pilot Program, but urges the Congress to provide for a transition period to permit agencies to effectively implement acquisition policies and procedures.

Constitutional Concerns

Provisions of the bill, including section 521, that purport to direct or burden the conduct of foreign relations, and of negotiations and communications with foreign countries or international organizations, should be amended to delete such direction or burden, to make the provisions consistent with the constitutional authority of the President to conduct the Nation's foreign relations, and to supervise the unitary Executive Branch.

The reference in section 505(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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