



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

June 28, 2005
(Senate)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2361 -- Department of the Interior, Environment, and Related Agencies
Appropriations Bill, FY 2006

(Sponsors: Cochran (R) Mississippi; Byrd (D) West Virginia)

The Administration applauds the Committee for reporting this bill in a timely manner and looks forward to working with 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 is concerned that this bill would increase spending by over \$500 million relative to the President's request. The Administration will continue to work with Congress to ensure acceptable levels of funding are provided to the Department of Defense and the highest priority non-security programs. The Administration urges the Congress to shift funding from lower-priority programs and, as assumed in the Budget Resolution, to hold spending in the non-security discretionary category below last year's level.

Given the need for responsible spending restraint, the Administration appreciates that the Committee fully funded the President's request for fire suppression and urges the Congress to fully fund other unavoidable obligations. The Administration looks forward to working with the Congress to ensure that its priorities, including the Preserve America initiative, the Flight 93 Memorial, and the We the People initiative, are met within that overall total.

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

Select Initiatives and Savings

The Administration appreciates the Committee's continued support of the American Masterpieces initiative in the National Endowment for the Arts and the We the People initiative in the National Endowment for the Humanities. The funding will enable students and communities to experience the best of America's culture and history.

The Administration is very pleased that funding was provided for Preserve America. This Presidential priority will help local communities realize the potential of their cultural and heritage assets through tourism, educational programs, and other practices that foster public appreciation for American history and values.

Environmental Protection Agency (EPA)

The Administration is concerned that the Committee substantially reduces funding for Water Sentinel and eliminates funding for water security training. Both initiatives are critical for EPA to fulfill its responsibilities under recent Homeland Security Presidential Directives. The Administration is also concerned with the elimination of funding for lab preparedness and the Safe Buildings initiative. Funding these homeland security requests will help protect the Nation's drinking water and address other security priorities.

The Administration appreciates the Committee's support for the Methane to Markets (M2M) Partnership, but urges the Committee to support the full request. M2M is an important U.S.-led international initiative designed to reduce greenhouse-gas emissions and provide an affordable, cleaner source of energy.

The Administration is concerned with reductions to important cleanup programs, including the \$45 million reduction for Brownfields. The Brownfields program has a record of success and full funding is necessary to support these cleanup efforts.

While the Administration appreciates the Committee's \$8 million increase over the FY 2005 enacted level for the Great Lakes Legacy Act, the funding level is \$42 million below the President's budget request. The Administration urges the Senate to provide full funding for this program.

The Administration urges Congress to shift funding to the higher-priority programs mentioned above by redirecting some of the \$300 million provided for unrequested projects in this bill, or a portion of the \$370 million in unrequested funds for the Clean Water State Revolving Fund (SRF). In FY 2004 and FY 2005, Congress appropriated significantly more funding than requested for the Clean Water SRF. Due to these increases, the program needs less funding than in previous years to meet the Administration's Federal capitalization target of \$6.8 billion total through FY 2011.

Department of the Interior

The Administration commends the Committee for its focus on core programs of the Department of the Interior. The Administration also appreciates the substantial funding provided for Land and Water Conservation Fund (LWCF) programs and for the Cooperative Conservation challenge cost share program. The Administration encourages the Senate to fully fund the requests for the Landowner Incentive and Private Stewardship conservation grant programs, which help private landowners protect rare species and restore habitats while continuing farming, ranching, or other traditional land uses.

The President's Budget included a number of terminations and reductions to programs with duplication and overlap, weak performance measures, and little demonstrated results. The Administration urges the Senate to accept the reductions proposed for rural fire assistance, the Bureau of Indian Affairs' school construction program, payments in lieu of taxes, national heritage area grants, and the U.S. Geological Survey mineral resources program, and to use them to offset increases for higher priority programs. While the Administration commends the Committee for its willingness to make reductions in LWCF state grants and National Park

Service statutory aid, we urge their termination.

The Administration appreciates that the Committee included the requested funds for trust management reform in the Bureau of Indian Affairs and the Office of Special Trustee. The Administration is concerned, however, that the reduction to the request for Indian trust accounting will delay completion of the Secretary's historical accounting effort.

The Administration is also concerned that the Committee grants permanent authority and mandatory funding for the Minerals Management Service Royalty-in-Kind (RIK) program. This will reduce oversight for a program that collects billions of dollars in Government revenue.

Department of Agriculture

The Committee is commended for providing enhanced administrative site conveyance authority and for providing the full request for fire suppression and preparedness activities. The Administration urges the Senate to restore the requested levels for the Forest Legacy program of the Forest Service. This program protects private forest lands for a variety of conservation purposes in a competitive, results-based manner. The Administration also urges the Senate to provide the requested level for Forest and Rangeland Research, which allows for full implementation of the forest inventory and technology application efforts. These funding priorities can be offset by reductions in funding for the economic action program and by reducing unrequested increases in the Wildland Fire Management account.

Indian Health Service

The Administration commends the Committee for supporting the requested increases for expanding health care services for American Indians and Alaska Natives through the Indian Health Service.

E-Government

The Administration objects to funding reductions to SAFECOM and Disaster Management. These programs are an integral part of the President's Management Agenda. Both of these programs directly support the agencies' responsibilities to fight wildland fires, respond to volcano, earthquake, and landslide incidents, and coordinate with State and local jurisdictions. Without these public safety programs, responder organizations would lose key tools and critical capability, thereby impacting their effectiveness in responding to incidents.

Competitive Sourcing

The Administration strongly opposes provisions in the bill that would restrict agencies' ability to improve program management through competitive sourcing. The Administration has adopted a reasoned approach for ensuring the fair and effective application of competition. On a Government-wide basis, competitions completed in FY 2003 and FY 2004 are estimated to generate savings, or cost avoidances, for the taxpayer of more than \$2.5 billion over the next three to five years. The Forest Service and Department of the Interior are using competitive sourcing in a strategic and responsible manner. The competitions they completed in FY 2004 are collectively expected to net approximately \$178 million in taxpayer savings over the next several

years (\$162 million at the Forest Service and \$16 million at Interior). The Senate is urged to remove the funding restrictions and work with the Administration to refine reporting on costs.

Constitutional Concerns

The Administration objects to a number of provisions in the bill that would purport to require Committee approval before Executive Branch execution. These provisions should be deleted or changed to require only notification of Congress, so as to be consistent with the constitutional principles set forth by the U.S. Supreme Court in 1983 in *INS v. Chadha*. Such provisions include language in the bill under the headings "United States Fish and Wildlife Service, Administrative Provisions," "National Park Service/Construction," "Departmental Management, Salaries and Expenses," "Natural Resources Damage Assessment and Restoration, Administrative Provisions," "Forest Service, Wildland Fire Management," "Administrative Provisions, Forest Service," and "Administrative Provisions, Indian Health Service," and section 420 of the bill.

In addition, provisions of the bill, such as language under the headings "National Park Service, Historic Preservation Fund" and "Environmental Protection Agency, State and Tribal Assistance Grants," that purport to require execution of the law in consultation with committees of Congress should be revised to delete the consultation requirement, so as to be consistent with the Constitution's grant to the President of exclusive authority to execute the laws. Further, provisions in sections 101 and 102 purporting to require the President to submit supplemental appropriations requests violate the Recommendations Clause of the Constitution and should be deleted.

The reference to the joint explanatory statement of managers accompanying this bill under the heading, "State and Tribal Assistance Grants," Environmental Protection Agency, does not meet the constitutional requirements for making laws, and would not have the force of law. This reference should be deleted.

Section 402 of the bill, which purports to prohibit the use of funds for any activity that tends to support or oppose pending legislation, should be amended so that it does not purport to prohibit normal and necessary communications that the President is constitutionally entitled to undertake.

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