



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

June 23, 2003
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2555 -- DEPARTMENT OF HOMELAND SECURITY
APPROPRIATIONS BILL, FY 2004

(Sponsors: Young (R) Florida; Obey (D) Wisconsin)

The Administration supports House passage of the FY 2004 Department of Homeland Security Appropriations Bill, as reported by the House Committee. The very first Homeland Security Appropriations Bill largely tracks the Administration's request and builds on the legislation creating the Department in strengthening the Nation's capacity to protect the homeland. The Administration appreciates the Committee's strong support for key homeland security initiatives.

While this bill exceeds the President's request by more than \$1 billion, the Administration applauds the Committee for reporting this important bill in a timely manner and looks forward to working with 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 \$784.7 billion, along with advance appropriations of \$23.2 billion for FY 2005 – in accordance with his Budget and the FY 2004 Congressional Budget Resolution. Only within such a fiscal environment can we encourage continued 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.

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

First Responder Grant Coordination

The Administration appreciates the Committee's strong support for the Office for Domestic Preparedness, which is largely consistent with the President's proposal. The Administration believes that additional steps should be taken to coordinate and consolidate the Department's first responder programs, including those funded within the Emergency Preparedness and Response Directorate. Coordination of first responder programs is essential to the efficiency and effectiveness of the nation's preparedness goals.

U.S. VISIT

The bill largely supports the Administration's request for the U.S. VISIT project, though it is funded in the Bureau of Immigration and Customs Enforcement. U.S. VISIT is an integrated border security system that will collect information on visitors to the United States to improve efforts to combat terrorism and facilitate travel. The funding requested is required for the Department to meet the statutorily defined dates for implementation of this important program. The Administration believes that the program should be funded at the President's requested level and the appropriate place for this funding is the Bureau of Customs and Border Protection, as requested in the President's Budget.

Project BioShield

The Administration appreciates the appropriation of \$5.6 billion over 10 years for the President's BioShield initiative. We will continue to work with the Congress to reach consensus on a funding mechanism for Project Bioshield.

Account Structure

The President has proposed to improve coordination across the Department by simplifying its account structure and eliminating stovepiped funding. In some areas, the Committee has not adopted the Administration's proposed approach and has potentially inhibited essential coordination by retaining stovepipes. For example, the Committee funded infrastructure grants in TSA, thereby separating them from similar activities in Information Analysis and Infrastructure Protection. Recognizing that this is the first regular appropriations bill for the Department, the Administration will work with the House and the Senate to establish an optimal account structure.

Headquarters

The Committee substantially reduced departmental operations and did not fund the headquarters facility project. This funding is required to meet the new Department's facility needs. The Administration believes a strong headquarters operation is essential to the coordination and management oversight of the new department and its components, especially as it is taking root. The reduction would inhibit this ability.

Constitutional Concerns

The Administration objects to a number of provisions in the bill that would purport to require Committee approval before Executive Branch execution. The Administration will interpret these provisions to require only notification of Congress, since any other interpretation would contradict the Supreme Court ruling in *INS v. Chadha*.

The Administration looks forward to working with the House to advance our collective goals as the process moves ahead.