



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

March 19, 2007
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. — U.S. Troop Readiness, Veterans' Health, and Iraq Accountability Act
(Sponsor: Obey (D), Wisconsin)

The Administration strongly opposes the "U.S. Troop Readiness, Veterans' Health, and Iraq Accountability Act." The Administration seeks prompt enactment of the President's request to support our armed forces and diplomatic corps as they implement the new strategy to achieve America's strategic objective of a democratic Iraq that can govern, defend, and sustain itself and be an ally in the war on terror.

This legislation would substitute the mandates of Congress for the considered judgment of our military commanders. This bill assumes and forces the failure of the new strategy even before American commanders in the field are able to fully implement their plans. Regardless of the success our troops are achieving in the field, this bill would require their withdrawal. In addition, the bill could withhold resources needed to enable Iraqi Security Forces to take over missions currently conducted by American troops. Many policy makers agree that the Iraqi Security Forces must assume responsibility in defending Iraqi democracy, and it is unconscionable that funds for the Iraqi Security Forces be subject to conditions that may threaten our full support. These Congressional mandates would place freedom and democracy in Iraq at grave risk, embolden our enemies, and undercut the Administration's plan to develop the Iraqi Security Forces and the Iraqi economy. This bill would impose inappropriate, operationally unsound, and arbitrary constraints on how the Department of Defense should prepare units to deploy. Prohibiting the deployment of units to combat unless a Chief of Service certifies the units as fully mission-capable 15 days prior to deployment is unnecessary, since the Department of Defense will not send into battle troops that are not fully capable of performing their assigned missions. It is unwise to codify in law specific deployment and dwell times, since this would artificially limit the flexibility of our commanders to conduct operations in the field and infringe on the President's constitutional authority as Commander in Chief to manage the readiness and availability of the Armed Forces. If this legislation were presented to the President, he would veto the bill.

The war supplemental should remain focused on the needs of the troops and should not be used as a vehicle for added non-emergency spending and policy proposals, especially domestic proposals, that should be fully vetted and considered on their own merits, such as minimum wage, various tax proposals, and changes in contracting policy. This bill adds billions in unrequested spending that is largely unjustified and non-emergency. Because of the excessive and extraneous non-emergency spending it contains, if this legislation were presented to the President, he would veto the bill.

Congress should reject this legislation, and promptly send the President a responsible bill that provides the funding and flexibility our troops need, without holding funding for the troops hostage to unrelated spending.

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

Title I - Global War on Terror

Base Realignment and Closure. The Administration submitted a budget amendment on March 9, 2007, that would fully offset the \$3.1 billion shortfall needed to implement the recommendations of the 2005 Base Realignment and Closure Commission. Including this funding as an emergency request without offsets is inappropriate and unnecessary. The Administration urges passage of its request instead.

Additionally, the Administration opposes any amendment to the bill that would alter the approved recommendations of the 2005 BRAC Commission. The BRAC process, as authorized by Congress, requires that both the President and Congress approve or disapprove the Commission's recommendations in their entirety to allow the process to remain apolitical. Legislating a specific change to a BRAC Commission recommendation would adversely affect the integrity of the BRAC 2005 process.

Operation and Maintenance (O&M). The Administration objects to cuts of almost \$1.9 billion for priority O&M activities while increasing areas less critical to the war effort. Such reductions (including reductions for contracting) could damage the military's ability to execute wartime operations and the readiness of U.S. forces as they prepare to deploy to Afghanistan and Iraq. The Administration urges Congress to support the President's amended request.

In addition, the bill does not fund the President's \$350 million request for training, equipping, transporting, and sustaining our partners in the Global War on Terror. Our allies are critical to our success in combating extremists across the globe and providing this support reduces the burden on US forces. We strongly urge the House to restore these funds.

General Transfer Authority (GTA). The Administration appreciates the Committee's approval of the requested \$3.5 billion in GTA for this bill, but urges that GTA for the FY 2007 DOD Appropriations Act be increased from \$4.5 billion to \$8.0 billion, as included in the March 9 revised request. This increase is essential for the Department of Defense to reallocate funds to sustain critical operations and to address the needs of our field commanders.

International Affairs Programs. The Administration commends the Committee for providing the President's request for important international affairs funding for avian influenza, assistance to Afghanistan and Lebanon, peacekeeping in Somalia, Chad, and East Timor, and unanticipated needs to help relieve human suffering, including in Sudan and other parts of Africa.

While the Administration appreciates the House's support of the request for Iraq-related funding, it objects to the reductions to Iraq assistance programs and Provincial Reconstruction Team (PRT) expansion. The bill reduces funding for democracy programs, building national capacity, strengthening local governing capacity and delivery of essential services, creating jobs to help

stabilize the country, and supporting Iraqi rule of law programs -- the very things that must be done for Iraq to become self-reliant and assume responsibilities from the United States. The reduction in funding for PRT expansion will also impede our ability to get civilians into PRTs to support Iraqis at the local level. The Administration also opposes the reductions to the request for Kosovo which could inhibit our effort to support economic growth, security, and political stability during and after the resolution of its status. Given the reductions to Iraq and Kosovo, the Administration is especially concerned that the House bill provides over \$600 million in unrequested International programs. The House is urged to redirect funds from unrequested programs to fully fund the Iraq and Kosovo requests.

The Administration also does not support section 1905 of the bill, which establishes a Presidentially-appointed, Senate-confirmed position to oversee Iraq assistance programs. This position is not necessary since the Secretary of State has already appointed a coordinator for reconstruction.

The Administration also opposes the \$2.5 billion in unrequested emergency funding provided to the Department of Homeland Security (DHS). This funding does not meet the standard for emergency funding and should be considered within the regular annual appropriations process.

Title II -- Hurricane Recovery

Department of Homeland Security. The bill provides the States of Louisiana, Mississippi, Florida, and Texas with a 100-percent Federal match for FEMA public and individual assistance related to Hurricanes Katrina, Rita, Wilma, and Dennis and would eliminate the prohibition on forgiving Community Disaster Loans. The bill also extends utility assistance for an additional 12 months. The Administration opposes a waiver of the State match requirement. The Administration also notes that the Administration is funding, at the President's direction, 90 percent of Gulf-Coast rebuilding costs for public infrastructure and that the Federal Government has provided -- following negotiations with the State governments of Louisiana and Mississippi -- sufficient Community Development Block Grant funding to meet the Federal match requirements for Louisiana and Mississippi, in essence federally funding 100 percent of such costs.

Corps of Engineers. The Administration opposes the \$1.3 billion in unrequested funding the bill provides to address increased costs for certain ongoing levee restoration projects that were provided supplemental funding in P.L. 109-234. These funds are unnecessary because the Administration proposed FY 2007 supplemental language to allow the Corps to reallocate \$1.3 billion of previously appropriated emergency funding to address these needs. The Administration plans to consider the need for additional funding once the Corps completes its revised cost estimates for all planned work this summer.

Constitutional Concerns

The Administration urges the House of Representatives to strike provisions of the bill that infringe upon the President's constitutional authorities, interfere with the President's ability to conduct diplomatic, military, and intelligence activities or supervise the unitary executive branch effectively, or violate the constitutional principle of separation of powers, such as sections 1311, 1314(c)(1), 1901, 1902, 1903, 1904, 4403(c), and 5004(b) and language in title I relating to

committee approval under the headings in chapter 7 for “Military Construction, Army” and “Military Construction, Navy and Marine Corps” and in chapter 8 under the heading “Diplomatic and Consular Programs.” The Administration notes that, while the legislation includes authority to waive restrictions relating to readiness and deployment periods (sections 1901, 1902, and 1903), it does not include authority to waive the all-or-nothing restrictions relating to benchmarks for performance of the Iraqi government. Moreover, several provisions of the bill purport to require approval of the Committees prior to the obligation of funds. 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*.

* * * * *