



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

July 22, 2003
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2799 – Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 2004

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

The Administration supports House passage of the FY 2004 Commerce, Justice, and State Appropriations Bill. The Administration appreciates the Committee's support for the programs and initiatives of the Department of Justice, including the requested increases for Federal law enforcement and the President's DNA initiative. However, the Administration has several specific concerns with the House bill and will work with the Congress on these and other issues as the bill moves through the legislative process.

Specifically, the bill contains a provision blocking implementation of a Federal Communications Commission (FCC) rule establishing a new national television ownership cap. The Administration believes that the new FCC media ownership rules more accurately reflect the changing media landscape and the current state of network station ownership, while still guarding against undue concentration in the marketplace. If this provision or a provision like it with respect to any one of the other FCC Rules is contained in the final legislation presented to the President, his Senior Advisors would recommend that he veto the bill.

The Administration applauds the Committee for reporting this bill in a timely manner and looks forward to working with the 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 increased 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.

Additional Administration views regarding the Committee's version of the bill are:

Citizen Corps

The Administration urges the House to provide full funding for the Citizen Corps initiative, a

Presidential priority and component of the USA Freedom Corps. This important initiative will make communities safer, stronger, and better prepared to respond to the threats of terrorism, crime, public health issues, and disasters of all kinds.

Department of Commerce (DOC)

The Administration appreciates the full funding of Census Bureau programs, the Administration urges the House to restore the \$10 million reduction from the President's request of \$85 million for the Economic and Statistics Administration. The requested funding will support initiatives of the Bureau of Economic Analysis to accelerate the release and improve the accuracy of key economic indicators, including the Gross Domestic Product. The Administration is also concerned that the reduced funding for the National Oceanic and Atmospheric Administration (NOAA) will impair NOAA's ability to manage the Nation's commercial fisheries.

The Administration is disappointed that the bill does not provide sufficient funds for the Patent and Trademark Office to adequately improve patent and trademark quality, reduce pendency, and make operations fully electronic. The Administration urges the Congress to support the associated fee reform legislation, which will provide the additional fee revenue needed to support these operational improvements. The Administration also encourages the House to restore the reduction from the President's request for Commerce's Departmental Management, in order to fund E-Government initiatives, information technology security and critical infrastructure protection, and renovation planning for the Herbert Hoover building.

The Administration appreciates the Committee's efforts to reduce spending that is no longer warranted or is of an insufficiently high priority. Additional savings could be realized through adoption of the Administration's proposed rescission of unobligated steel loan guarantee funds and termination of the Technology Opportunities Program.

Department of Justice (DOJ)

The Administration urges the House to fully fund the President's request for the drug court program, which diverts non-violent drug offenders into treatment and brings nearly half of them to successful completion of treatment.

The Administration appreciates the Committee's full funding for the Organized Crime Drug Enforcement Task Force (OCDETF). However, the Administration opposes the merger of the OCDETF program into the Drug Enforcement Administration (DEA). The Administration believes that OCDETF management should continue under the direction of the Office of the Deputy Attorney General to ensure that program management and resource allocation decisions are objective and not made by one stakeholder. The Administration also appreciates the Committee's support for the efforts to enhance drug intelligence capabilities. However, the Administration believes that placing this capability under OCDETF, rather than DEA, will help to ensure objectivity and multi-agency participation in decision-making.

The Committee bill did not include the Administration's budget restructuring efforts. This restructuring would provide the Administration and the Congress a more performance-based budget that is linked to mission and outcomes.

The Administration also encourages the House to adopt the proposed rescission of \$188 million from the Bureau of Prisons prior-year construction funds, which is intended to encourage the consideration of alternatives to prison construction, including the use of available private, State, and local prison bed-space and facilities.

Department of State

The Administration appreciates that the bill funds many programs at the requested levels and consolidates educational and cultural exchange programs. The Administration opposes the following reductions from the request: \$63 million from the Diplomatic and Consular Programs account, which would reduce the resources and personnel necessary to carry out its mission and funding for the G-8 summit to be held in the United States during 2004; \$120 million from Embassy Security, Construction and Maintenance account for the new embassy building in Berlin that has been in planning for over a decade; and reductions to a number of smaller organizations and commissions. In addition, the bill contains several problematic earmarks within the Diplomatic and Consular Programs account. The Administration is also concerned about a provision that delays the obligation of \$84 million in the Capital Investment Fund until September 2004, prohibiting the State Department from purchasing basic information technology infrastructure for a year.

Equal Employment Opportunity Commission (EEOC)

The Administration is disappointed that the Committee provided only \$328 million for EEOC, \$6 million below the President's request. At this level, it will be difficult for EEOC to maintain reductions in its private-sector complaints inventory, and the agency may have to postpone key management reforms that will allow it to serve citizens more efficiently. The Administration urges the House to provide the full request.

United States Trade Representative (USTR)

The Administration is concerned with the additional funding provided to USTR, \$5 million more than the request. The unrequested earmark of \$2 million for enforcement and monitoring of China's trade commitments is unnecessary.

Infringements on Executive Authority

The Administration objects to Section 609 in the bill, which would restrict the use of funds for U.N. peacekeeping missions that involve U.S. Armed Forces under the command or control of a foreign national, places unconstitutional conditions on the President's authority to command the armed

forces. In addition, Section 610, which would preclude the use of funds to maintain diplomatic relations with Vietnam unless the President certifies to Congress that Vietnam has satisfied specific conditions mandated by Congress, is an unconstitutional condition on the exercise of the President's power to control the recognition and non-recognition of foreign governments.

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