



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

July 12, 2006
(Senate)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5441 – Department of Homeland Security Appropriations Bill, FY 2007

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

The Administration supports Senate passage of the FY 2007 Department of Homeland Security Appropriations Bill, as reported by the Senate Appropriations Committee.

The President's FY 2007 Budget holds total discretionary spending to \$872.8 billion and cuts non-security discretionary spending below last year's level. The Budget funds priorities and meets these limits by proposing to reform, reduce, or terminate 141 lower-priority programs. The Administration urges Congress to fund priority needs while holding spending to these limits, and objects to the use of gimmicks to meet those limits. The Administration looks forward to working with Congress to adopt the President's proposals to cut wasteful spending in order to maintain fiscal discipline to protect the American taxpayer and sustain a strong economy.

Although the bill is largely supportive of the President's request, the Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Border and Transportation Security

The Administration appreciates the funding provided by the Committee for border and immigration enforcement and strongly urges the Senate to fully fund 1,500 new Border Patrol agents and 6,700 additional detention beds and associated costs, as requested. On May 15th, the President outlined his five-part plan for comprehensive immigration reform. The Administration is committed to securing the resources necessary to gain control of the border through deployment of additional Border Patrol agents, as well as adding infrastructure and technology, such as access roads, fences, vehicle barriers, tactical communications, and aerial surveillance. These resources, coupled with additional legal authority from Congress, will end the practice of "catch and release" along the southern border by increasing detention and removal capabilities. The Administration is committed to working with Congress to implement an immigration enforcement strategy that will give our law enforcement authorities operational control of our Nation's borders as a part of the Administration's comprehensive immigration reform initiative.

The Administration is concerned that the Committee did not include the requested increase for aviation security passenger fees. The Senate is urged to include this provision to ensure that the direct beneficiaries of aviation security measures bear a greater share of the cost of implementing and maintaining a secure screening system.

The Administration strongly supports the provision to provide the Department with the

flexibility to employ a risk-based strategy for focusing aviation screening resources on significant and emerging threats to aviation security. The Administration supports section 524 of the Committee's proposed bill that will provide additional direction to the Department and information to Congress on protection of Sensitive Security Information without compromising security.

State and Local Programs

While the Administration appreciates the Committee's commitment to State and local grant and training programs, the funding provided does not effectively target Department of Homeland Security (DHS) resources. Overall funding for programs administered by the Office of Grants and Training is \$504 million above the President's request, providing resources to lower priority programs that support individual infrastructure sectors or organizations and emphasize basic response equipment for local agencies. Resources should be shifted to fully fund programs that target high-risk targets and combine security efforts across the Nation's infrastructure sectors such as the Urban Areas Security Initiative and the proposed Targeted Infrastructure Protection Program. The Administration also urges the Senate to fully fund the Citizens Corps initiative, which helps to encourage greater citizen participation in local preparedness efforts.

Federal Emergency Management Agency (FEMA)

The Administration appreciates the Committee's support of FEMA's core operating expenses, flood map modernization, and the pre-disaster mitigation grant program. The funding provided for the pre-disaster mitigation grant program will protect people and buildings from flood damage, earthquakes, and wind damage from hurricanes and tornados. The Administration also strongly supports the transfer of the National Disaster Medical System to the Department of Health and Human Services, consistent with the recommendations of the White House Katrina 'Lessons Learned' report.

The Administration strongly urges the Senate to provide the full request level for FEMA's Disaster Relief Fund (DRF). The amount provided for the DRF is \$316 million below the President's request. The requested funding is based on the five-year average of total disaster costs, excluding large one-time events such as Hurricanes Katrina and Rita. Full funding of the DRF is important to ensure that DHS is able to respond appropriately to the Nation's unforeseen events and natural disasters.

Management

The Administration strongly opposes any effort to reduce or eliminate funding for the DHS MAX HR initiative. This human resource management system is designed to meet the diverse personnel pay and benefit requirements of DHS.

The Administration is concerned that funding for the design and buildout of a new Coast Guard Headquarters at the St. Elizabeth's campus was not included in the bill and urges that it be restored. This facility has been identified by the General Services Administration as the only Federally-owned secure campus readily available in Washington, D.C. It is critical that the Coast Guard headquarters be constructed in a timely manner and these funds are needed to

ensure the facility is constructed on schedule, address serious spatial needs of the agency, and support infrastructure development for eventual tenancy by other DHS components.

Coast Guard

The Administration strongly objects to the provision that would postpone decommissioning of the LORAN system and would require additional cost-benefit analysis. The Department of Transportation has conducted numerous studies that make clear that the benefits of terminating the LORAN system far outweigh the costs. Furthermore, as discussed in the Subcommittee Report, the Global Positioning System is a far superior navigational aid, with sufficient backup capabilities in place to meet the Coast Guard's needs for the Maritime Transportation System.

Secret Service

The Administration urges the Senate to include the establishment of a Special Event Fund to meet the unique security needs of the Secret Service to be prepared for special events. These funds have been requested in a separate account to ensure that resources are dedicated to meet special events overtime and travel needs.

Citizenship and Immigration Services

The Administration appreciates the funding provided for expansion and improvements to immigration verification systems to more effectively verify employment eligibility and benefit records. These resources support the Administration's comprehensive immigration reform initiative, and the Administration urges the Senate to fully fund efforts to automate U.S. Citizenship and Immigration Services' business processes and systems, which will improve its ability to collect, process, and provide immigration-related benefits.

Science and Technology

The Administration appreciates the funding provided by the Senate supporting the Department's research, development, test and evaluation (RDTE) requirements. However, the Administration strongly urges the Senate to restore the Management and Administration appropriation funding needed to ensure the necessary resources for the proper planning, prioritization, management, execution, and oversight of the RDTE programs.

The Administration is opposed to the transfer of the Transportation Security Laboratory (TSL) and explosives threat funding from Science and Technology (S&T) to the Transportation Security Administration. S&T is best positioned to prioritize, develop, and execute the innovative research programs necessary to achieve significant results against explosive threats. S&T is also best suited to foster the research and development capabilities of the TSL and leverage these capabilities to support the entire Department.

Preparedness

The reduction in funding for the National Preparedness Integration Plan will limit the ability of the Preparedness Directorate to implement initiatives based on Katrina 'Lessons

Learned' recommendations. At the funding level proposed by the Senate, the program will not be able to support needed improvements in telecommunications capabilities. DHS will work with Congress to better define the role of the proposed Federal Preparedness Coordinators, and avoid duplication of other DHS functions.

The Administration is also concerned about the aggregate reduction of \$24 million from the request for funding of Infrastructure Protection and Information Security activities. The \$20 million reduction in the National Security/Emergency Preparedness Telecommunications program will diminish the ability to provide priority wireless connectivity in disaster-affected areas and implement recommended improvements from the Administration and Congress to emergency communications infrastructure.

Domestic Nuclear Detection Office

The Administration appreciates the Committee's support for the Domestic Nuclear Detection Office (DNDO), but strongly recommends that the full funding requested be provided. This initiative is a priority of the Administration and failure to fully fund DNDO research and development programs will appreciably delay the availability of new technologies for detecting radiological and nuclear materials in cargo, at our borders, and elsewhere. Specific reductions in funding will delay the deployment of next-generation equipment for detecting nuclear devices; hinder efforts to leverage the research capabilities of our Nation's universities; and delay efforts to track the source of radioactive materials.

Competitive Sourcing

The Administration strongly opposes provisions that limit competitive sourcing. Section 516 imposes a legislative restriction on the use of competitive sourcing for work performed by the Immigration Information Officers at the U.S. Citizenship and Immigration Services, and section 537 overrides Executive Branch discretion to consider public-private competition by dictating that commercial classroom training performed at the Federal Law Enforcement Training Center is an inherently governmental activity. Precluding public-private competition for performance of these activities deprives the Department of the operational efficiencies to be gained by competition, and limits its ability to direct Federal resources to other priorities. Management decisions about public-private competition, and accountability for results, should be vested with the Department. On a Government-wide basis, the improvements set in motion by competitions completed between FY 2003 and FY 2005 will generate an estimated savings that will grow to over \$5 billion over the next 10 years. The Senate is urged to strike these restrictions.

Reports and Penalties

While the Administration understands the need for prompt delivery of reports to Congress and makes every effort to do so, the Committee's requirement to deliver reports on complicated matters before receiving funding could inhibit the Department's efforts to carry out its mission.

Constitutional Concerns

Several provisions of the bill purport to require approval of the Committees prior to Executive Branch action. These provisions are found under the following headings: “United States Visitor and Immigrant Status Indicator Technology”; “Automation Modernization,” “Technology Modernization,” and “Air and Marine Interdiction, Operations, Maintenance, and Procurement,” within Customs and Border Protection; “Automation Modernization” Immigration and Customs Enforcement; “Protection, Administration, and Training,” United States Secret Service; “Management and Administration,” Preparedness and Recovery Preparedness; “Management and Administration,” Science and Technology; and section 509. Since these provisions would contradict the Supreme Court’s ruling in *INS v. Chadha*, they should be changed to require only notification of Congress.

Section 521 of the bill, relating to privacy officer reports, should be stricken as inconsistent with the President’s constitutional authority to supervise the unitary executive branch.

* * * * *