



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

May 18, 2006
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5386 –Department of the Interior, Environment, and Related Agencies

Appropriations Act, FY 2007

(Sponsors: Lewis (R), California; Obey (D), Wisconsin)

The Administration supports House passage of the FY 2007 Department of the Interior, Environment, and Related Agencies Appropriations Act, as reported by the Committee.

The Administration commends the Committee for reporting this bill in a timely manner. While the bill exceeds the President's request, the Administration appreciates that the Committee held funding in the bill below last year's levels and adopted a number of the savings proposals from the President's Budget, while funding many important priorities. 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 hold spending to these limits, while funding the Nation's highest priorities. The Administration looks forward to working with the House to ensure that priority needs are funded within this overall, responsible total in order to maintain fiscal discipline and protect the American taxpayer.

The Administration appreciates that the Committee funded a number of key Administration priorities, including funding for the Flight 93 memorial in Pennsylvania, the American Masterpieces and We the People initiatives, and the Northwest Forest Plan. The Administration also commends the Committee for making requested reductions in the Clean Water State Revolving Fund, Land and Water Conservation Fund State (LWCF) Grants, NPS statutory aid, economic action grants, and unrequested earmarks. The Administration looks forward to working with the Congress to ensure that the President's remaining proposals to reduce wasteful spending are adopted, including additional terminations and reductions for duplicative, underperforming or lower-priority programs identified in the President's Budget.

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

Department of the Interior

The Administration opposes the reductions made by the Committee in certain high priority programs, including funding for the Office of Special Trustee for American Indians. Of particular concern is the reduction in funding for the historical accounting work necessary to address successfully the concerns raised in the *Cobell v. Norton* class action suit. The Administration will also work with the Congress to remove language extending the statute of limitations on certain tribal and individual Indian mismanagement claims.

The Administration appreciates that the Committee included partial funding for the

Preserve America grants, and urges the House to fund this Presidential initiative at the \$10 million request. These one-time grants provide seed money to local groups that seek to use heritage tourism as a sustainable approach for preserving historic sites.

The Administration opposes the large reductions in several cooperative conservation programs, particularly the reductions to State and Tribal Wildlife Grants and the North American Wetland Conservation Fund. States have just completed their State Wildlife Plans, as required by the State and Tribal Wildlife program, and are now prepared to begin implementing the plans. The House is urged to restore the proposed funding increase and to support the President's proposal to award the additional funds competitively.

The Administration is also concerned with the Committee's decision to impede the realignment of the Department's geospatial data management functions to better serve the needs of the Nation. This action would reduce services to the public and hinder well-conceived efforts to improve management and efficiency of the Geological Survey's geospatial activities.

The Administration has concerns over a new provision that may jeopardize our ability to meet our commitment on the Everglades Modified Water Deliveries project.

Environmental Protection Agency (EPA)

The Administration appreciates that the Committee increased funding for the WaterSentinel pilot, and strongly urges that it be fully funded. In addition, it is vital that the Committee fully fund the requests for decontamination and laboratory capabilities in order for EPA to meet its responsibilities under Homeland Security Presidential Directives.

The Administration urges the House to fund the President's request for the EPA component of the Asia-Pacific Partnership, which will advance our Nation's goals of improving energy security and reducing harmful air pollution and greenhouse gas emissions intensity in the context of sustained economic growth.

The Administration appreciates the Committee's efforts to increase funding for the Clean Diesel Initiative, and the Administration urges the House to provide the funding requested to support EPA's implementation of the Energy Policy Act, including funding to support the Renewable Fuel Standard rulemaking, which is an important priority for the Nation.

Finally, the House is urged to fully fund the Great Lakes Legacy Act at the authorized level of \$50 million. This is an important program for addressing the highest priority sediment contamination sites in the Great Lakes. The House could restore funds for these priority EPA programs by redirecting some of the nearly \$300 million provided for unrequested projects.

Department of Agriculture (USDA)

The Administration shares the Committee's concerns regarding the high costs of fire incidents, and the FY 2007 Budget includes proposals to control fire suppression costs and improve program performance, including the regional allocation of a portion of suppression funds that will improve accountability and performance. The Administration also shares the Committee's concern regarding Forest Service organizational efficiency, and will continue to

work with the Congress to ensure the Forest Service is applying taxpayer funds wisely. However, the Administration objects to the required assessment of indirect costs from fire suppression since it would effectively result in under-funding fire suppression and in turn increase the likelihood of borrowing from other programs.

The Administration strongly objects to the Committee's reduction to the Forest Legacy program and urges the House to restore the requested level. The Forest Legacy program protects environmentally sensitive forest lands while ensuring their sustainable use. This funding priority could be offset by requested funding reductions in other Forest Service accounts.

Indian Health Service (IHS)

The Committee is commended for supporting IHS programs. The Administration is concerned, however, that the Committee provides only sixty percent of the amount requested for population growth and related costs while it provides more funding than requested in areas such as health facilities construction. The Administration urges the Congress to offset funding from lower priority areas within IHS to fund the request to support health care delivery to American Indians and Alaska Natives.

Smithsonian Institution

The Administration urges the Committee to restore the requested level of funding of \$644 million for the Smithsonian Institution. Receiving the full request would enable the Institution to curtail its growing maintenance backlog and avert higher costs in future years.

E-Government

The Administration calls on Congress to fully fund the SAFECOM and Disaster Management E-Government initiatives in order to improve interoperability between Federal, State, and local officials. The general provision prevents the Department of the Interior from joining other agencies who are utilizing this government-wide initiative.

Competitive Sourcing

The Administration strongly opposes provisions in the bill that would restrict agencies in the bill from improving program management through competitive sourcing. The Administration has adopted a reasoned approach for ensuring the fair and effective application of competition. The Administration would also strongly oppose the application of the restriction to feasibility studies. The Administration considers efforts, including feasibility studies, which improve agency efficiency and performance to be ongoing and essential functions of agency management that would be significantly and unnecessarily limited by the restriction. The Administration further opposes language that would prohibit the use of any funds for competitive sourcing studies to reduce costs relating to wildfire management. By exempting wildfire management personnel from competitions, the provision creates an incentive to limit the amount of personnel available to conduct other critical mission efforts. On a Government-wide basis,

improvements set in motion by competitions completed in FY 2005 are expected to generate net savings or cost avoidances totaling \$3.1 billion over the next 5-10 years. The House is urged to remove the funding restrictions and work with the Administration to refine reporting on costs.

Constitutional Concerns

Several provisions of the bill purport to require approval of the Committees prior to Executive Branch action. These include sections 125, 405, and 417; and under the headings, "Construction," National Park Service, and "Salaries and Expenses," Departmental Management, Department of the Interior. 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 415 would authorize two Executive departments to enter into agreements with foreign countries regarding the provision of firefighter services, and would impose specific requirements in such agreements. This provision is objectionable to the extent that it would infringe on the President's constitutional authority over negotiations with foreign states. The provision should be reworded to make it precatory.

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