

THE WHITE HOUSE

WASHINGTON

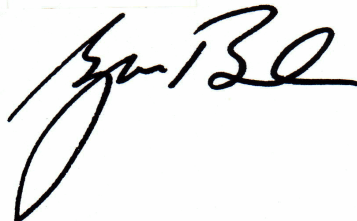
June 25, 2004

Dear Mr. Speaker:

I ask the Congress to consider the enclosed FY 2005 budget amendments for the Departments of Commerce, Health and Human Services, Justice, State, and Transportation; as well as the General Services Administration, the Election Assistance Commission, and the Federal Communications Commission. In total, these amendments would not increase the discretionary budget authority proposed in my FY 2005 Budget.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Hastert", written over a faint rectangular stamp.

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

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

June 24, 2004

The President
The White House

Submitted for your consideration are requests for FY 2005 budget amendments for the Departments of Commerce, Health and Human Services, Justice, State, and Transportation; as well as the General Services Administration, the Election Assistance Commission, and the Federal Communications Commission.

The discretionary budget authority proposed in your FY 2005 Budget would not be increased by these amendments.

As described below and in more detail in the enclosures, the requests include the following:

Department of Health and Human Services

- \$15 million is proposed for a new HIV Vaccine Research and Development Center in the United States to support the Global HIV Vaccine Enterprise, which you announced at the recent G-8 Summit. The increase in budget authority would be fully offset within the Department.

Department of State

- Appropriations language is proposed, consistent with the FY 2005 Budget, which would permit initiation of a surcharge on passports and immigration visa application fees.

General Services Administration

- Language is proposed that would transfer the authority to oversee the Panama Canal Revolving Fund from the Panama Canal Commission to the General Services Administration.

Election Assistance Commission

- An additional \$10 million is proposed to enable the Commission to proceed with important studies mandated by the Help America Vote Act. This increase in budget authority would be fully offset within the Commission.

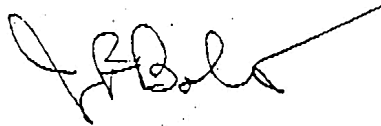
Other FY 2005 Amendments

- Several other amendments to your FY 2005 Budget are included in this transmittal for the Department of Commerce, the Department of Justice, the Department of Transportation, and the Federal Communications Commission.

Recommendation

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit these amendments to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bolten', with a long horizontal stroke extending to the right.

Joshua B. Bolten
Director

Enclosures

Agency: DEPARTMENT OF COMMERCE
Bureau: INTERNATIONAL TRADE ADMINISTRATION
Heading: Operations and Administration
FY 2005 Budget
Appendix Page: 214
FY 2005
Pending Request: \$393,513,000
Proposed Amendment: Language
Revised Request \$393,513,000

(In the appropriations language under the above heading, delete the second proviso.)

This proposal would delete language that was inadvertently included in the FY 2005 Budget *Appendix*, which is inconsistent with Administration policy.

This amendment would not affect the Department of Commerce's pending FY 2005 budget authority request.

Agency: DEPARTMENT OF COMMERCE

Bureau: NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION

Heading: Pacific Coastal Salmon Recovery

FY 2005 Budget
Appendix Page: 221

FY 2005
Pending Request: \$100,000,000

Proposed Amendment: Language

Revised Request \$100,000,000

(In the appropriations language under the above heading, after "Pacific salmon populations," insert including grants to the State of Idaho,)

This proposal would clarify that Idaho is an authorized recipient of grant funds for salmon habitat restoration, salmon stock enhancement, and salmon research.

This amendment would not affect the Department of Commerce's pending FY 2005 budget authority request.

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Bureau: NATIONAL INSTITUTES OF HEALTH

FY 2005 Budget
Appendix Pages: 436-437

FY 2005
Pending Request: \$28,607,357,000

Proposed Amendment: Language

Revised Request: \$28,607,357,000

(In the appropriations language under the above heading, the following sections are amended:)

- 1) Under the "National Institute of Allergy and Infectious Diseases" section, delete "\$4,425,507,000" and substitute \$4,440,007,000;
- 2) under the "National Institute on Drug Abuse" section, delete "\$1,019,060,000" and substitute \$1,012,760,000: Provided, That in addition to amounts provided herein, \$6,300,000 shall be available from amounts under section 241 of the Act to carry out national surveys on drug abuse and related analysis; and
- 3) under the "National Library of Medicine" section, delete "\$325,147,000" and substitute \$316,947,000; and insert the following before the period, : Provided further, That in addition to amounts provided herein, \$8,200,000 shall be available from amounts under section 241 of the Act to carry out National Information Center on Health Services Research and Health Care Technology and related health services.

This proposal would increase HIV vaccine research funding in the National Institute of Allergy and Infectious Diseases (NIAID) by \$14.5 million, by reallocating \$6.3 million in budget authority from the National Institute on Drug Abuse (NIDA) and \$8.2 million in budget authority from the National Library of Medicine (NLM) to the NIAID.

The increase in NIAID would support the Global HIV Vaccine Enterprise, which was announced by President Bush during the June 2004, G-8 Summit in Sea Island, Georgia. The Vaccine Enterprise concept is a virtual consortium to accelerate HIV vaccine development by enhancing coordination, information sharing, and collaboration globally. The U.S. commitment of \$14.5 million would fund a new HIV Vaccine Research and Development Center in the United States and is intended to encourage other countries to make their own commitments to establish virtual centers and better coordinate vaccine research efforts.

The funds reallocated by NIDA and NLM would be restored within the overall request for the National Institutes of Health (NIH) for evaluation activities through the use of the Secretary's authority under Section 241 of the Public Health Service Act, which allows the allocation of a portion of total amounts appropriated for programs under the Act to be used for evaluation activities. Therefore, total discretionary budget authority proposed for NIH in FY 2005 would not be affected by this amendment.

Agency: DEPARTMENT OF JUSTICE
Bureau: DRUG ENFORCEMENT ADMINISTRATION
Heading: Salaries and Expenses
FY 2005 Budget
Appendix Page: 685
FY 2005
Pending Request: \$1,661,503,000
Proposed Amendment: Language
Revised Request: \$1,661,503,000

(In the appropriations language under the above heading, delete "\$5,000,000" before the phrase "for construction" and substitute \$13,100,000.)

This proposal would increase by \$8.1 million the allocation of funding within the Salaries and Expenses account available for construction of a training facility for detecting and destroying illegal clandestine drug laboratories. The lease recently expired for the Drug Enforcement Administration's current training facilities, which are located on the Quantico Marine Corps Base, and the Marines are expected to occupy the facility by December 2005.

This amendment would not affect the Department of Justice's pending FY 2005 budget authority request.

Agency: DEPARTMENT OF STATE
Bureau: ADMINISTRATION OF FOREIGN AFFAIRS
Heading: Diplomatic and Consular Programs
FY 2005 Budget
Appendix Page: 737
FY 2005
Pending Request: \$4,285,044,000
Proposed Amendment: Language
Revised Request: \$4,285,044,000

(In the appropriations language under the above heading, insert the following after the second paragraph:)

Beginning in fiscal year 2005 and thereafter, the Secretary of State is authorized to charge surcharges related to consular services in support of enhanced border security that are in addition to the passport and immigrant visa fees in effect on January 1, 2004. Funds collected pursuant to this authority shall be credited to this account, and shall be available until expended for the purposes of such account. Such surcharges shall be \$10 on passport fees and \$45 on immigrant visa fees. These amounts may be amended by the Secretary through administrative procedures after fiscal year 2005 as appropriate.

In order to comply with the Border Security Act and other legislation requiring the inclusion of new information, including biometrics, in passports and visas, the FY 2005 President's Budget included a proposal for later transmittal relating to consular fees. The appropriations language now proposed would permit initiation of a surcharge on passport and immigration visa applications and allow expenditures of the amounts collected for the provision of consular services under the Diplomatic and Consular Programs account. The amount collected under this proposal is estimated to be \$95 million. An additional \$5 million will be collected through administrative changes to the Diversity Visa program in FY 2005.

The Bureau of Consular Affairs (CA) is in the midst of a multi-year effort to increase border security by strengthening the security of the passport adjudication process, the physical passport, the immigrant visa adjudication process, and the physical immigrant visa document itself. All of these changes impose a variety of developmental and operating costs on CA.

-- continued --

With respect to passport services, improvements involving the use of other agency and commercial databases are underway to prevent identity theft and provide a more robust name check system for passport adjudicators. Changes to the passport book itself began most recently with the introduction of photo digitization. Changes currently underway include the redesign of the passport book to incorporate the most recent advances in document security, as well as the introduction of a contactless chip to store biometric information about the authorized bearer of the passport. The collection of a \$10 security surcharge is directly linked to the implementation of these security-related improvements. In addition, the Department of State plans to help ensure the security of U.S. passports through an enhanced mail delivery system.

The effort to enhance immigrant visa services includes migration of the immigrant visa to a machine-readable format using a secure visa template and implementation of digital photo and electronic fingerprint collection as required by recent legislative mandates. CA is also working closely with the Department of Homeland Security (DHS) in an ongoing effort to more fully integrate the immigrant visa process into plans for enhanced electronic case processing and tracking throughout Department of State and DHS activities. The collection of a \$45 surcharge is directly linked to implementation of these security-related improvements.

This amendment would not affect the Department of State's pending FY 2005 budget authority request. The Department of State will also transmit corresponding authorization language.

Agency: DEPARTMENT OF TRANSPORTATION

Bureau: OFFICE OF THE SECRETARY

Heading: Salaries and Expenses

FY 2005 Budget
Appendix Page: 761

FY 2005
Pending Request: \$102,689,000

Proposed Amendment: \$5,658,000

Revised Request: \$108,347,000

This amendment would place the operational responsibility for the Office of Emergency Transportation and Crisis Management Center with the Office of the Secretary. An accompanying proposal would move it from the Research and Special Programs Administration.

Taken together with the accompanying amendment, the discretionary budget authority total proposed in the FY 2005 Budget for the Department of Transportation would not be increased by this amendment.

Agency: DEPARTMENT OF TRANSPORTATION
Bureau: RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
Heading: Research and Special Programs
FY 2005 Budget
Appendix Pages: 806-807
FY 2005
Pending Request: \$52,936,000
Proposed Amendment: -\$5,658,000
Revised Request: \$47,278,000

This proposal would move the operational responsibility for the Office of Emergency Transportation and Crisis Management Center from the Research and Special Programs Administration. An accompanying amendment proposes that this responsibility be moved to the Office of the Secretary.

Taken together with the accompanying amendment, the discretionary budget authority total proposed in the FY 2005 Budget for the Department of Transportation would not be increased by this amendment.

Agency: GENERAL SERVICES ADMINISTRATION

Heading: General Provisions -- General Services Administration

FY 2005 Budget
Appendix Pages: 974-975

FY 2005
Pending Request: ---

Proposed Amendment: Language

Revised Request: ---

(In the appropriations language under this heading, add the following new section after section 409:)

SEC. 410. Section 3712 of title 22, U.S.C., is amended by adding the following new subsection at the end:

(e) Termination; Transfer of Revolving Fund

(1) The Panama Canal Commission and the Office of Transition Administration (P.L. 106-65, div.C, title XXXV, Sec. 3504 (b), (c),) shall terminate on October 1, 2004. To the extent that the Administrator of General Services determines that any functions of the Commission or the Office being performed immediately prior to such termination should continue in connection with winding up the affairs of the Commission or the Office, such functions are transferred to the Administrator.

(2) Upon termination pursuant to paragraph (1), the Fund shall be transferred to the General Services Administration (GSA). GSA shall use amounts in the Fund to make payments of any outstanding liabilities of the Commission, as well as any expenses required to perform the transferred functions.

This proposal would transfer the remaining functions of the Panama Canal Commission (PCC) Office of Transition Administration (OTA) to the General Services Administration (GSA) on October 1, 2004, the date of the Office's effective termination under law. The OTA and PCC are effectively terminated with the expiration of authorities under current law. However, this provision would make clear the intent to affirmatively terminate the agency rather than merely allowing its statutory authority to expire. The proposal would also transfer the authority to manage and make expenditures from the Panama Canal Revolving Fund to GSA. This proposal will have no budgetary effect on any other GSA program or responsibility.

Agency:	ELECTION ASSISTANCE COMMISSION
Heading:	Election Reform Programs
FY 2005 Budget Appendix Page:	1115
FY 2005 Pending Request:	\$40,000,000
Proposed Amendment:	-\$10,000,000
Revised Request:	\$30,000,000

This amendment would reduce by \$10 million the pending FY 2005 request for the Election Reform Programs account. Sufficient funding will be available from prior-year unobligated balances, now projected to be carried forward into FY 2005. This reduction would fully offset the proposed increase to the Commission's Salaries and Expenses account, as described in an accompanying amendment.

Agency: ELECTION ASSISTANCE COMMISSION

Heading: Salaries and Expenses

FY 2005 Budget
Appendix Page: 1115

FY 2005
Pending Request: \$10,000,000

Proposed Amendment: \$10,000,000

Revised Request: \$20,000,000

This proposal would provide an additional \$10 million to the Election Assistance Commission's Salaries and Expenses account to allow the Commission to proceed with important studies mandated by the Help America Vote Act. This increase in budget authority would be fully offset by a corresponding reduction to the Commission's Election Reform Programs account, as proposed in an accompanying amendment.

Agency: FEDERAL COMMUNICATIONS COMMISSION

Heading: Salaries and Expenses

FY 2005 Budget
Appendix Page: 1125

FY 2005
Pending Request: \$20,000,000

Proposed Amendment: Language

Revised Request: \$20,000,000

(In the appropriations language under the above heading after the last paragraph, add the following new provisos before the period:)

: Provided further, That not to exceed \$33,200,000 may be transferred from the Universal Service Fund to monitor the Universal Service Fund program to prevent and remedy waste, fraud, and abuse, and to conduct audits and investigations by the Office of Inspector General: Provided further, That after notification, as provided in section 605 of this Act, additional sums may be transferred from such Fund for such purposes.

This proposal would allow the Federal Communications Commission (FCC) to transfer funds from the Universal Service Fund (USF) to fund USF audit efforts. FCC anticipates a substantial increase in the number of audits conducted on the USF, in fulfillment of the Improper Payments Act. Senate Report 108-144 advised the FCC to utilize funds in the USF to pay for costs associated with the auditing of the USF. This proposal would clarify the statutory language.

This amendment would not increase the discretionary budget authority proposed in the FY 2005 Budget.