



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

September 4, 2002
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

**S. 2708 - DEPARTMENT OF THE INTERIOR
AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2003**

(Sponsors: Byrd (D) West Virginia; Burns (R) Montana)

This Statement of Administration Policy provides the Administration's views on the FY 2003 Department of the Interior and Related Agencies Bill, as reported by the Senate Committee.

The Administration strongly opposes the FY 2003 discretionary spending total and the subcommittee allocations adopted by the Senate Committee, which allow for \$772.5 billion in spending, including \$2.2 billion in emergency funds and \$2.2 billion in inappropriate advances on FY 2004 spending. Fiscal discipline and constraint on overall government spending are critical to the Nation's ability to provide needed resources for national priorities and a fiscal environment that encourages continued economic growth and a quick return to a balanced budget. The President supports a discretionary spending total of \$759 billion, consistent with the House-passed Budget Resolution. The President also urges the Congress to provide appropriations consistent with the President's request for defense and homeland security activities to support the war on terrorism and increased national homeland security efforts.

The Administration is concerned that while the overall level contained in the Committee bill is acceptable, it is part of an overall spending total that exceeds the President's budget request and is unacceptable. The Administration also strongly objects to the Senate Committee's cut of \$400 million, or almost 70 percent, in the President's base wildland fire suppression request. As is evidenced by the severity of the current fire season, such a reduction is wholly inappropriate. While the Committee provides \$400 million in "emergency" firefighting funds, the use of such a designation for funding to provide for known needs is not consistent with the definition of an emergency requirement. On August 28th, the President submitted a request for \$825 million for fire suppression funds to ensure that the agencies have the resources they need to fight fires and that funds that have been redirected - such as from forest land acquisition and the Forest Legacy program - are replenished where appropriate. The Senate is urged to fund this FY 2002 supplemental request and to fully fund the base request for firefighting in FY 2003.

The Administration would like to take this opportunity to share additional concerns with the Committee version of the bill, as noted below.

Department of the Interior (DOI)

The Committee provides \$9.6 billion in total for DOI, \$0.2 billion over the President's request. The Administration appreciates the Committee's efforts to fund most of the FY 2003 request, including the substantial increases requested for the National Wildlife Refuge System and Indian trust management reform.

The Committee did not fund the Cooperative Conservation Initiative (CCI) and two other significant Administration conservation initiatives – the Private Stewardship Grants program and the Landowner Incentive program. CCI would give federal land managers a critical tool to cooperate with multiple partners to achieve conservation benefits on a landscape basis. The Private Stewardship and Landowner Incentive programs support the protection and restoration of habitats found on private lands that benefit listed species or other species at risk by providing cooperative conservation options to land owners, States, conservation groups, our public land managers, and others. The Administration urges the Senate to support these important programs.

The Committee appears to provide over \$40 million in excess of the President's request of \$663 million for the National Park Service (NPS) deferred maintenance account. However, because the Committee funds 35 specific unrequested construction projects totaling \$65 million, projects more critical to the NPS are not funded. The Administration encourages the Senate to redirect the unrequested funds to address existing needs.

The Committee fails to fund the National Indian Gaming Commission (NIGC), which oversees the rapidly growing gaming industry. NIGC's capabilities are severely constrained by the statutory limitations on the fees collected from gaming operations. The Administration urges the Senate to provide appropriations in FY 2003 while Congress considers changes to the current fee structure.

The Administration is disappointed that the Committee ignored the proposed transfer of \$10 million for toxic substances hydrology research funding from the U.S. Geological Survey to the National Science Foundation. The quality and effectiveness of this research would improve through NSF's expertise in funding competitive research.

Department of Agriculture (USDA)

The Committee provides \$4.0 billion in total for USDA, \$0.1 billion over the President's request. The Administration appreciates the Committee's efforts to fund the Administration's hazardous fuels reduction request within the firefighting account and activities targeting the wildland-urban interface.

The Administration regrets that the Committee does not support the Service First initiative (\$10 million) to increase co-locations between the Forest Service and the Bureau of Land Management in 22 locations. These co-locations would improve convenience for landowners who could "one-stop shop" at adjoining Federal agencies.

Department of Energy (DOE)

While the Administration appreciates the full funding for the President's Clean Coal Power initiative, the Administration objects to the lack of support for reforms to consolidate the coal research program, which is necessary to improve performance in the Office of Fossil Energy. The Administration also objects to the \$162 million (33 percent) increase over the President's request for fossil energy research programs. Many of the items funded above the request are for research that is more appropriately performed by the private sector. The President's request targets funding to projects that have clear public benefits and projects that would not otherwise be supported by the private sector. In addition, the Administration urges the Senate to reconsider the budget proposal to transfer pipeline research from DOE to the Department of Transportation to consolidate Federal pipeline research efforts.

The Administration encourages the Senate to restore the \$37 million reduction to the Weatherization Assistance Program. The President has committed to increase funding for this program by \$1.4 billion over 10 years. The Senate could restore these funds from the low-priority fossil energy funding noted above and from funding for lower-priority, unrequested energy conservation research and development.

The Administration opposes the use of advance appropriations to avoid spending limitations, such as the advance appropriation included in the bill for the Elk Hills School Lands Fund and the Clean Coal Technology account. There is no programmatic justification for an advance appropriation for these programs. We urge the Senate to adopt the budget proposal to fully fund the Elk Hills program through FY 2003 appropriations.

Department of Health and Human Services (HHS)

The Administration strongly opposes language in the Committee report that suggests the Department of Health and Human Services should not organize its public affairs and legislative affairs personnel in an efficient manner and the Indian Health Service should not realize savings from management improvements. Giving agencies the flexibility to manage themselves, and to manage human capital strategically, are cornerstones of the President's Management Agenda.

The Administration is also concerned with language in the bill and the report that would make the Department of Defense (DoD) responsible for Indian Health Service commissioned corps retiree costs for annuity benefit payments of those age 65 and older. Under current law, DoD is not responsible for these costs, a position which the Administration supports.

Institute of Museum and Library Services (IMLS)

The Administration applauds the Committee's decision to shift responsibility for Museum Services funding for IMLS to the Labor/HHS/Education appropriations subcommittee. This is consistent with the President's Budget request and will simplify the appropriations process for IMLS which previously has received funding for its two offices, the Office of Museum Services and the Office of Library Services, through two different appropriations bills.

Infringement on Executive Authority

The Administration objects to a number of provisions in the bill that would require committee approval before Executive Branch execution. For example, a proviso included in Title I of the bill for the Historic Preservation Fund requires the approval of the Appropriations Committees for all funded projects prior to the commitment of grant funds. Similarly, an administrative provision in Title II of the bill conditions obligation or expenditure of funds for the closing of any regional office for National Forest System Administration on the approval of the appropriations committee. The Administration will interpret these provisions to require only notification of Congress, since any other interpretation would contradict the Supreme Court ruling in *INS v. Chadha*.