



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

May 19, 2005
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2361 – Department of the Interior, Environment, and Related Agencies Appropriations Act, FY 2006

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

The Administration supports House passage of the FY 2006 Department of the Interior, Environment, and Related Agencies Appropriations Act, as reported by the House Committee.

The Administration applauds the Committee for reporting this bill in a timely manner and looks forward to working with Congress to ensure that the FY 2006 appropriations bills do not exceed the \$843 billion discretionary funding level proposed in the President's FY 2006 Budget and contained in the FY 2006 Congressional Budget Resolution. Sustaining the economy's expansion requires strong Federal spending discipline. The President's Budget includes over 150 savings and reforms and was the first to propose reducing non-security discretionary spending since the Reagan Administration. The Administration urges the Congress to shift funding from lower priorities and, as assumed in the Budget Resolution, to hold spending in the non-security discretionary category below last year's level.

Given the need for responsible spending restraint, the Administration appreciates that the Committee fully funded the President's request for fire suppression and urges Congress to fully fund other unavoidable obligations. The Administration looks forward to working with Congress to ensure that its priorities, including the Preserve America Initiative, are met within that overall total.

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

Select Initiatives and Savings

The Administration appreciates the Committee's continued support of the American Masterpieces initiative in the National Endowment for the Arts and the We the People initiative in the National Endowment for the Humanities. The funding provided by the Committee will enable students and communities across the country to experience the best of America's artistic and cultural legacy and explore and share significant events in American history.

However, the Administration objects to the lack of funding for Preserve America. This Presidential priority is designed to help local communities realize the potential of their cultural and heritage assets through heritage tourism, educational programs, and other practices that contribute to community vitality and economic well-being while fostering public appreciation for American history and values.

The Administration commends the Committee for its willingness to make requested reductions in

the Clean Water State Revolving Fund, Land and Water Conservation Fund (LWCF) state grants, and National Park Service statutory aid. Additional savings are available to fund the Administration's priorities as identified below.

Environmental Protection Agency (EPA)

The Administration appreciates the Committee's funding for safe-building research, but is disappointed that the Committee did not fully fund the other homeland security obligations required by recent Homeland Security Presidential Directives regarding water-supply protection, decontamination, and laboratory capabilities. Fully funding homeland security needs at \$57 million will help protect the Nation's drinking water and other essential needs.

The Administration is disappointed that the Committee has not fully funded the President's \$4 million request for EPA's contribution to the Methane to Markets (M2M) Partnership. M2M is an important U.S.-led international initiative designed to cost-effectively reduce worldwide greenhouse-gas emissions. The Administration is also disappointed with reductions to important cleanup programs, including the \$38 million reduction for Brownfields. The Government Accountability Office has estimated that there are more than 450,000 Brownfields sites across the Nation. The Brownfields program has a track record of success, and full funding is necessary to support these cleanup efforts.

While the Administration appreciates the Committee's \$6 million increase over the FY 2005 enacted level for the Great Lakes Legacy Act, the House is urged to fully fund this effort at \$50 million.

The House could restore funds for these important programs by redirecting some of the \$280 million provided for unrequested projects. While the Committee report does not identify the specific projects to be funded, historically these types of projects have often served local interests and not national priorities or have not been subjected to a competitive process that ensures that the highest priorities are funded.

Department of the Interior

The Administration commends the Committee for its focus on core programs, yet the Administration remains concerned that the bill funds several specific programs funded through the LWCF at levels significantly below the Administration's request. The Administration's requests for land acquisition and selected grant programs are restrained, targeted, and modest enough to fit within funding allocations. Land acquisitions are often necessary to achieve results for the public, such as establishing a memorial to the downed Flight 93 in Pennsylvania. Similarly, the Landowner Incentive and Private Stewardship conservation grant programs achieve results by offering positive incentives for private landowners to protect rare species and restore habitat while continuing farming, ranching, or other traditional land uses. Cooperative Conservation challenge cost-share grants help build creative land restoration partnerships with local communities and private landowners. The Administration encourages the House to fully fund these important LWCF programs.

The President's Budget included a number of terminations and reductions to those programs that have not demonstrated results for the taxpayer, duplicate current efforts, or do not fulfill essential

priorities. Funds from these programs could be used to offset increases for higher priority programs. The Administration urges the House to accept the requested funding reductions for Bureau of Indian Affairs school construction; payments in lieu of taxes; national heritage area grants; rural fire assistance; and the U.S. Geological Survey mineral resources program.

The Administration appreciates that the Committee included the requested funds for the Bureau of Indian Affairs and the Office of Special Trustee for trust management reform. We are concerned, however, that the failure to provide the full amount requested for Indian trust will delay completion of the Secretary's historical accounting.

The Administration is also concerned that the Committee grants permanent authority and mandatory funding for the Minerals Management Service Royalty-in-Kind (RIK) program. This will reduce oversight for a program that collects billions of dollars in Government revenue.

Department of Agriculture

The Committee is commended for providing funding to support the President's Healthy Forests Initiative (HFI) and for providing the full amount requested for fire-suppression activities. 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 need to borrow from other programs. The Administration shares the Committee's concerns regarding the high costs of fire incidents, and the FY 2006 Budget includes proposals to control fire suppression costs and improve program performance. The Administration is also concerned that the Committee has included report language that appears to prevent the agency from implementing recommendations of the Program Assessment Rating Tool evaluation and from prioritizing fire activities, and will continue to work with Congress to ensure programs are effective and taxpayer funds are spent wisely.

The Administration urges the House to restore the requested levels for the Forest Legacy program of the Forest Service. This program, which is funded through LWCF, protects private forest lands for a variety of conservation purposes in a competitive, results-based manner. This funding priority can be offset by requested funding reductions for the State and Private Forestry and Capital Improvement and Maintenance accounts.

Indian Health Service

The Administration commends the Committee for supporting the requested increases for expanding health care services for Native Americans and Alaska Natives through the Indian Health Service.

E-Government

The Administration objects to funding reductions to SAFECOM and Disaster Management.

These programs are an integral part of the President's Management Agenda. Both of these programs directly support the agencies' responsibilities to fight wildland fires, respond to volcano, earthquake, and landslide incidents, and coordinate with State and local jurisdictions. Without these public safety programs, responder organizations would lose a key tool and critical capability, thereby impacting their effectiveness in responding to incidents.

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. On a Government-wide basis, competitions completed in FY 2004 are estimated to generate savings, or cost avoidances, for the taxpayer of more than \$1.4 billion over the next three to five years. The Forest Service and Department of the Interior are using competitive sourcing in a strategic and responsible manner. The competitions they completed in FY 2004 are collectively expected to net approximately \$178 million in taxpayer savings over the next several years (\$162 million at the Forest Service and \$16 million at Interior). The House is urged to remove the funding restrictions and work with the Administration to refine reporting on costs.

Constitutional Concerns

The Administration objects to a number of provisions in the bill that would purport to require Committee approval before Executive Branch execution. These provisions should be changed to require only notification of Congress, since any other interpretation would contradict the Supreme Court's ruling in *INS v. Chadha*.

Section 402 of the bill purports to prohibit the use of funds for any activity that tends to support or oppose pending legislation. The Administration has construed such provisions narrowly to apply only to "grassroots" lobbying and to permit normal and necessary communications that the President is constitutionally entitled to undertake. Because the sweeping language in section 402 recognizes no exceptions for such legislation-related activity, the Administration recommends that the provision be deleted or, in the alternative, amended to include language permitting normal and necessary Executive Branch communications concerning the legislative process.

Section 419 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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