



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

May 21, 2002
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 4775 - Making Supplemental Appropriations for Further Recovery From and Response to Terrorist Attacks on the United States, FY 2002
(Rep. Young, (R) Florida)

This Statement of Administration Policy provides the Administration's views on the FY 2002 Emergency Supplemental Bill as reported by the House Appropriations Committee.

The Administration applauds the Committee's efforts to provide most of the funding requested by the Administration and to stay within the discretionary spending caps agreed to by Congress and the Administration. Consistent with the intent of the President's request, this bill provides \$27 billion and additional spending offset by \$1.8 billion in reductions and an additional \$1.9 billion in contingent emergency defense funds. All of the requests in the Administration's transmittal were necessary to fulfill known and urgent FY 2002 requirements, requirements that could not reasonably be met through the use of existing agency funds. The Administration strongly supports the bill as reported by the House Appropriations Committee and will strongly oppose efforts to add resources above this net spending level.

The proposals for emergency funding included in this bill will provide critical resources to support the war on terrorism, secure the homeland, and help dislocated workers as the Nation continues to recover and rebuild following the September 11, 2001, terrorist attacks. We look forward to working with the Congress to ensure this bill is enacted as expeditiously as possible.

Defense

The bill provides critical funds for the Department of Defense (DoD) and the intelligence community to prosecute the global war on terrorism for the balance of FY 2002 and to enable DoD to fulfill related national security missions. Overall, the Committee provides an increase of \$1.8 billion over the President's request for national defense. This additional funding is provided on a contingent emergency basis. The Administration currently has no need for additional funding in these areas.

The President has made transformation of the military a top defense priority. Consistent with this policy, the Secretary of Defense has determined that the Crusader artillery program is no longer relevant to future requirements. The Committee version of the bill includes objectionable report language that prevents any action on the Crusader artillery program until Congress acts. The President's senior advisors would recommend that he veto any bill that included statutory restrictions limiting his ability to cancel this program.

Homeland Security

The Administration is greatly concerned that the Committee funded the Transportation Security Administration (TSA) at \$4 billion, \$350 million less than our request. With additional unrequested items within that total, the Committee bill leaves \$1 billion of the Administration's request unfunded. Unless Congress wishes to revisit the specific statutory mandates for passenger and baggage screening contained in the Aviation and Transportation Security Act, the funding proposal and the 45,000 person cap on hiring could seriously undermine the ability of TSA to meet these requirements. The Administration looks forward to working with the House to address these concerns.

While the Committee provided much of the funding requested for the Administration's Homeland Security initiatives, the Administration is disappointed that the \$175 million for First Responders was provided through the Justice Department and not under the Federal Emergency Management Agency (FEMA), as requested. The Administration urges the Congress to consolidate terrorism preparedness assistance for first responders under FEMA and to ensure that this funding is used for planning at the state and local level. Responsibility has been fragmented among a number of agencies, something that many members of Congress, GAO and outside studies have criticized. The Administration continues to believe that FEMA's relationship with the entire first responder community will help ensure better overall coordination of assistance.

The Administration strongly opposes language that would prohibit the use of funds to transfer functions, missions, or activities of the U.S. Customs Service to the Justice Department. The Administration is committed to working with the Congress to determine the best option to support strong border enforcement and an efficient flow of cross-border commerce. The proposed language would unnecessarily restrict the Executive Branch in its review of the full range of options available for future organizational changes related to protecting our borders and enhancing our Nation's security.

New York

The Administration appreciates the Committee support of the request for additional disaster relief efforts for New York in response to the September 11th terrorist attacks.

Assistance to Dislocated Workers

The Administration is pleased that the Committee provided \$300 million of the President's \$750 million request to help dislocated workers return to work. However, the Administration believes that

additional resources are needed. The Administration looks forward to working with the House to ensure that adequate assistance is available to displaced workers, through National Emergency Grants, and to distressed communities so that these workers can get the jobs they need.

United Nations Population Fund (UNFPA)

The Administration supports the language included in this bill regarding the United Nations Population Fund (UNFPA), which will ensure that the Administration and Congress have additional information before the appropriate funding level for UNFPA is determined. On May 12, 2002, a three-member team left for a two-week investigation of UNFPA activities in China. Upon their return, they will complete a report describing the UNFPA program in China, which the Administration will use in determining whether funding of UNFPA would be consistent with the long-standing Kemp-Kasten provisions.

Infringement on Principles in the President's Management Agenda

The foundation of the President's Management Agenda is the need to improve agency management. The President is committed to empowering agency employees with the tools they need to serve the American people and has made every effort to eliminate obstacles to efficient management throughout the Executive Branch. The Administration objects to language included in the Committee version of the bill that would prevent the Department of Health and Human Services from organizing its public affairs and legislative affairs personnel in an efficient manner. Giving agencies the flexibility to manage themselves, and to manage human capital strategically are cornerstones of the President's Management Agenda and the House is urged to delete this restriction.

Constitutional Concerns

Several provisions in the Act, including provisions for the INS Entry Exit System or approval for Defense Emergency Response Fund, purport to require congressional committee approval before Executive Branch execution of aspects of the bill. The Administration will interpret such provisions to require notification only, since any other interpretation would contradict the Supreme Court ruling in *INS v. Chadha*.

The Executive Branch shall construe Title II of the bill, relating to the International Criminal Court, in a manner consistent with the President's constitutional powers as commander in chief and the Nation's representative in foreign affairs.

The Administration is committed to working with the Congress to enact an emergency supplemental appropriations bill as expeditiously as possible and to ensuring that these important programs receive the funding requested. The Administration looks forward to working with the House to address its concerns.