



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

June 16, 2004
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 4568 – Department of the Interior and Related Agencies

Appropriations Bill, FY 2005

(Sponsors: Young (R), Florida; Obey (D), Wisconsin)

The Administration supports House passage of the FY 2005 Department of the Interior and Related Agencies Appropriations Bill, as reported by the House Committee.

The President supports a discretionary spending total of not more than \$819 billion, in addition to \$2.5 billion in advance appropriations for Project Bioshield, consistent with his FY 2005 Budget. The President's Budget responsibly holds the growth in total discretionary spending to less than four percent and the growth in non-security spending to less than one percent, while providing the critical resources needed for our Nation's highest priorities: fighting the War on Terror, strengthening our homeland defenses, and sustaining the momentum of our economic recovery.

The Administration urges the Congress to consult with the Administration and make best efforts to fund unavoidable obligations (e.g. wildland firefighting). Emergency funding, including contingent emergencies, would only be acceptable if mutually agreed upon in advance by both the Congress and the Administration. The Administration also urges the House to fully fund Presidential priorities, such as the FutureGen Initiative, the We the People Initiative, the Hydrogen Fuel Initiative, Preserve America, and the Parks Legacy Initiative.

The Administration is pleased that the level of resources provided in the Committee-reported bill is consistent with the \$819 billion discretionary total and looks forward to working with the House to address the following concerns.

Department of the Interior

The Administration is concerned that the bill provides for programs funded from the Land and Water Conservation Fund (LWCF) at levels significantly below the Administration's request. In particular, the Private Stewardship, Landowner Incentive, State Wildlife, and Cooperative Conservation Incentive grants programs are all funded below the President's request. The Landowner Incentive and Private Stewardship programs offer 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.

In addition, the LWCF request includes plans to prevent future oil and gas development in Big Cypress National Preserve, Florida, establish a memorial to the downed Flight 93 in Pennsylvania, and commemorate the Lewis and Clark expedition in Montana. The Administration encourages the House to fully fund these important LWCF programs.

The House is urged to restore the National Park Service maintenance and construction

funds that were requested as part of the President's plan to reduce the park maintenance backlog. These funds are targeted at restoring park facilities to an acceptable condition. We also urge restoration of funding in the Fish and Wildlife Service for the Upper Klamath Basin Restoration program. The increases are critical for improving water quality in the Upper Klamath Basin and protecting critical spawning habitat for endangered and threatened fish species.

The Administration appreciates the increases provided for Indian trust programs, including the increases for historical accounting and Indian land consolidation. However, we are concerned that the failure to provide the full amounts requested will delay completion of the Secretary's historical accounting and Indian land consolidation plan and will delay efforts to reduce highly fractionated Indian land ownership.

Department of Agriculture

The Administration commends the Committee for providing funding to support the President's Healthy Forests Initiative. The Administration is concerned that the Committee has not agreed with the request to place hazardous fuels funding within the National Forest System account, which would improve coordination of hazardous fuels removal with all other vegetative management activities of the Forest Service. The Administration also urges the House to restore the requested levels for the Forest Legacy program of the Forest Service. This program, which is funded through the Land and Water Conservation Fund, effectively protects critically important private forest lands for a variety of conservation purposes.

Wildland Firefighting

The Administration objects that the bill did not fully fund the Administration's request for fire suppression costs for the Forest Service, which was set at the 10-year average in constant dollars; instead, it increases the level of preparedness funding, which was already at a sufficient level in the President's request. While adequate funding for wildland firefighting is essential, the Administration objects to the bill's language that eliminates incentives for cost control and makes emergency supplemental funding available without a request from the President that such funds are an emergency requirement. The Administration would like to work with the Congress to develop appropriate language and cost control measures to ensure that funding for wildland firefighting purposes is spent efficiently and effectively.

Department of Energy

The Administration also opposes the proposed \$64 million reduction from the President's \$291 million request for the Weatherization Assistance Program, which assists low-income families with their energy bills while conserving energy for the Nation. The President is committed to increasing funding for this program by \$1.4 billion over 10 years.

The Administration appreciates the Committee's support for the FutureGen Initiative. However, we urge the House to provide the \$237 million requested for this initiative in FY 2005. Fully funding the Budget request will assure our private-sector partners that the Federal Government will provide its share of project costs on time. The Administration also urges the House to restore the \$6.5 million reduction to fuel cell technologies under the Hydrogen Fuel Initiative, to keep this important initiative on track to make our air significantly cleaner and our

country less dependent on foreign sources of oil. The Administration is also concerned that the bill does not include the \$36 million in budget authority requested in FY 2005 for the Elk Hills School Lands Fund.

The Committee has provided more than \$200 million over the President's Budget for various fossil energy research and development activities, and the \$71 million increase for energy use technologies projects. These funds should be allocated to restore funding to the priority activities noted above. The \$16 million increase over the request for natural gas technologies, the \$20 million increase for petroleum technologies, and the \$27 million increase for industrial technologies are of particular concern. The Administration's evaluation of these programs using the Program Assessment Rating Tool and the Research and Development Investment Criteria found that these programs do not clearly link annual activities and products to long-term benefits, had generally poor performance and results, and often duplicated industry work. The President's request refocuses these programs on long-term, high-risk research, and we urge the House to adopt this approach.

Competitive Sourcing

The Administration strongly opposes provisions in Section 331 that would restrict entities funded under this bill from improving program management through competitive sourcing. The bill unnecessarily limits the funds that may be spent on competitive sourcing studies and forces agencies to make decisions based solely on cost considerations, rather than both cost and quality. The Administration has adopted a reasoned and responsible approach for ensuring the fair and effective application of competition, including measures to share successful practices and take prompt corrective action where results fall short of expectations. On a Government-wide basis, competitions completed in FY 2003 are estimated to generate savings, or cost avoidances, for the taxpayer of more than \$1 billion over the next three to five years. The House is urged to remove this section and work with the Administration to refine reporting on costs.

E-Government

The Administration objects to section 333 of the Committee bill that would prevent agencies from implementing key elements of the Administration's E-Government Initiative, an integral part of the President's Management Agenda. The provision prohibits funds to implement Safecom, disaster management, e-training and e-rulemaking, and will hamper achieving the goal of e-government, which is to create a more citizen-centered government rather than an agency-centered one. Without full agency participation, the Federal Government's ability to deliver information and services to the citizen will be greatly undermined.

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 ruling in *INS v. Chadha*.

Section 302 would prohibit the use of appropriated funds for "any activity or the

publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.” Because the sweeping language in this section recognizes no exceptions for normal executive-legislative relations, it could infringe the President’s constitutional authorities. The provision should be amended to permit normal and necessary Executive Branch communications respecting the legislative process.

In addition, section 331(d) would exempt from a general prohibition on the conversion to contractor performance of activities or functions of the affected federal agencies such a conversion by a qualified firm owned by an Indian tribe or “a Native Hawaiian Organization.” While the exemption of federally recognized Indian tribes would likely be upheld under existing precedent, there is a substantial unresolved question whether an exemption for native Hawaiians would be similarly upheld. Under the strict scrutiny standard of the Due Process Clause, this provision might not meet the constitutional “compelling government interest” standard. This portion of the provision should be deleted.

Potential Amendments

The Administration would oppose any amendments that would prohibit access and enjoyment of Yellowstone National Park by visitors using advanced technology snowmobiles under strict limits as would be proposed by the executive branch or any amendments that would prohibit completion of Forest Service land management planning regulations.

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