



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

March 15, 2005
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 1268 –Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005

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

The Administration supports House passage of the FY 2005 Emergency Supplemental for Defense, the Global War on Terror, and Tsunami Relief, as reported by the House Committee, and commends the Committee's expeditious action in approving these supplemental funds. The Administration looks forward to working with the Congress to ensure swift enactment of this legislation.

The President's request reflects the urgent and essential requirements in support of our men and women engaged in Operation Iraqi Freedom, Operation Enduring Freedom, and selected other international activities, including Indian Ocean tsunami relief and reconstruction. The requested funds are critical to stabilizing sovereign democratic nations and creating conditions for economic growth and investment. Assisting in the development of democratic nations, the United States and our allies are bringing liberty and hope and undermining key bases of operations for terrorists.

While the Administration supports the Committee's version of the bill, the Administration is concerned the bill does not fund, or reduces funding for, several critical items requested by the President. The Administration urges the Congress not to add any items to this bill unrelated to the funding of the Global War on Terror or to Indian Ocean tsunami relief and reconstruction, and to act expeditiously. The Administration looks forward to continuing to work with the Congress on these important issues.

Defense-Related Activities

The Administration appreciates the Committee's strong support for the President's funding request for ongoing military operations in the Global War on Terror and for the purchase of equipment directly related to these operations.

The Administration is grateful to the Committee for supporting the President's initiative to enhance payments to surviving families of service members who die in harm's way. However, the Committee's bill as drafted could cost up to \$0.5 billion more than the President's proposal. The Administration urges the House to support the President's version of this expanded benefit, which specially honors those service members who have made the ultimate sacrifice in the Global War on Terror.

The Administration is grateful for the strong support the Committee has given to improving Iraqi and Afghan security forces. However, the Administration would prefer the House restore the full flexibility requested for these funds so they are available for transfer to the

most appropriate Federal agency to assist the Iraqi and Afghan security forces.

The Administration is also concerned the Committee has not provided the full request to lift, sustain, and otherwise support our coalition partners. These funds are essential to enable our coalition partners to assist U.S. forces in Iraq, Afghanistan, and elsewhere in the Global War on Terror.

International Affairs and Reconstruction Activities

The Administration is very concerned the Committee's bill does not fund the President's \$400 million request for the Solidarity Initiative to support our partners in freedom. This initiative will provide critical support and assistance to our partners who have taken significant political risks and borne financial and military burdens to fight terrorism and advance democracy and stability around the world. Requested funds include \$200 million for military assistance and \$200 million for economic assistance. Funding for military assistance is directly tied to helping those nations who have troops deployed in Afghanistan and Iraq meet the extraordinary defense costs incurred as a result of coalition participation. Funding for economic assistance will support our coalition partners in the Global War on Terror in their own efforts to root out terrorists and eliminate breeding grounds for terrorism, including assistance to secure borders and stem the destabilizing flow of drug traffickers and the transiting of terrorists through their territories. As the Administration has noted previously, this initiative will assist our partners such as Poland and Slovak Republic, as they deliver on their strong commitment to foster democracy at home and help to advance freedom and stability abroad.

The Administration commends the Committee for its strong support of the President's request to bolster Afghanistan's security sector, including the Department of Defense's Afghan Security Assistance Fund for the Afghan National Army and the Department of State's program for the Afghan Police, and to expand counternarcotics activities. The Administration remains concerned, however, that the Committee reduced the request for reconstruction and democracy programs by \$0.6 billion. These programs are necessary to both complete commitments this country made to the people of Afghanistan and to help the new democratically elected government jump start economic growth, strengthen basic services, and support democratic institutions. The Administration urges the House to restore these funds.

The Administration appreciates the Committee's support for the construction of the New Embassy Compound and U.S. Mission operations in Baghdad. However, funding the full request of \$658 million for the embassy is important to provide for a secure work and living environment for the Americans serving in Baghdad. We must begin construction of this compound as soon as possible in order to improve the safety and security of our employees. Operationally, the Palace is inadequate; it was never designed as an office building and is only marginally usable as an Embassy. Postponing construction will delay moving our people into more safe, secure, and functional facilities.

The Administration appreciates the Committee's support for funding the U.S. share of UN peacekeeping missions and the flexibility to contribute to a Sudan war crimes tribunal. However, the full request of \$0.8 billion is necessary and should be restored. Since the submission of the FY 2005 Budget, the United States has approved new missions for Haiti, Cote d'Ivoire, and Burundi. In addition, the United States intends to vote in favor of the new

operation in Sudan. We will receive bills for all of these operations in 2005, which must be paid to avoid arrears. Therefore, fully funding our share of UN peacekeeping missions is critical.

The Administration is disappointed the Committee significantly reduced the President's request to improve planning and coordination of stabilization and reconstruction activities within the Department of State. The bill does not provide for staffing needed for an operational Office of the Coordinator for Reconstruction and Stabilization and does not provide for a ready-reserve capacity for post-conflict response within the Department of State. Funds are required to build office and requisite response capabilities.

The Administration appreciates that the Committee has provided the \$200 million requested for support for the Palestinians. In the wake of the historic elections in the West Bank and Gaza, we face an historic moment in the Middle East that we must seize. These funds are critical to helping create economic opportunities for the Palestinian people and helping them build democratic and security institutions that will make them better partners in peace with Israel. The Administration also appreciates the funding provided for immediate activities to support the Ukrainian government, under the newly elected President Viktor Yushchenko, and in advance of upcoming parliamentary elections. However, we are concerned the Committee did not provide the full request for programs designed to support the new government at this critical time in Ukraine's transition to democracy. The House is urged to restore these funds.

Indian Ocean Tsunami Relief

The Administration appreciates the Committee's support of its efforts to assist in the recovery from the Indian Ocean tsunami. However, we are disappointed the House bill does not support the request to defer or reschedule U.S. bilateral debt owed by tsunami-affected countries. The Administration is working with affected countries on their financial needs and some may ask for deferment or rescheduling of their debt. If there is such a request, excluding the necessary legal authority and funding would prevent the Administration from participating in any agreement to defer or reschedule debt leaving the U.S. as the only donor country that could not do so. The Administration urges the House to restore the necessary language and funding for this initiative.

Other Activities

The Administration appreciates the Committee's support in providing funding for the Departments of Energy, Homeland Security, and Justice. The Administration will continue to work with the Congress to maintain support for the President's request.

* * * * *