



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

July 16, 2003
(House)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2691 – Department of the Interior and Related Agencies Appropriations Bill, FY 2004

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

The Administration supports House passage of the FY 2004 Interior and Related Agencies Appropriations Bill. The Administration is pleased that the bill provides critical resources needed to address the maintenance backlog in the national parks.

The Administration applauds the Committee for reporting this bill in a timely manner and looks forward to working with the Congress to ensure that the FY 2004 appropriations bills ultimately fit within the top line funding level agreed to by both the Administration and the Congress. The President supports a discretionary spending total of \$784.7 billion, along with advance appropriations of \$23.2 billion for FY 2005 – in accordance with his Budget and the FY 2004 Congressional Budget Resolution. Only within such a fiscal environment can we encourage increased economic growth and a return to a balanced budget. The Administration looks forward to working with the Congress to ensure that its priorities 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

The Administration is concerned that the bill fails to fully support the President's request for key Administration initiatives. In particular, the bill underfunds the President's Hydrogen Fuel Initiative, which seeks to make our air cleaner and our country less dependant on foreign sources of energy; and the "We the People" initiative, which is designed to promote understanding of the ideas and events that have shaped our Nation. The Administration strongly objects to these gaps and urges the Congress to provide the full request for these important Presidential initiatives.

Competitive Sourcing

The Administration strongly opposes Section 335 of the bill, which would restrict the ability of entities funded under this bill to seek improvements in management and delivery of services through competitive sourcing. Now is the wrong time to short-circuit implementation of the common-sense principle of competition -- a proven way of protecting taxpayers' dollars while providing better service and

performance enhancements, especially since numerous agencies are starting to make real progress. Prohibiting funding for public-private competitions is akin to mandating a monopoly regardless of the impact on services to citizens and the added costs to taxpayers. If the final version of the bill were to contain such a provision, the President's senior advisors would recommend that he veto the bill.

Wildland Fire Suppression

The Administration strongly opposes the Committee's reduction to the President's request for critically needed wildland fire suppression funding in both the Forest Service and the Bureau of Land Management. The Administration's request, which includes full funding for the 10-year average of suppression costs, should be restored in both agencies.

Department of the Interior (DOI)

The Administration commends the Committee for extending the Recreation Fee Demonstration authority and for providing the requested increases in National Wildlife Refuge System operations. The Administration also appreciates that high priority programs such as Landowner Incentive, Private Stewardship Grants, and the Cooperative Conservation Initiative, are funded. However, the Administration objects to reductions that would prevent the Department from utilizing effective management tools to get the best return on the taxpayer dollar. In particular, the House is urged to restore the \$14 million reduction from the President's request for a new DOI financial management system. We are also concerned about the failure to fully fund the request for Indian trust reform and related activities.

The Administration is disappointed that the bill provides for programs funded from the Land and Water Conservation Fund at levels significantly below the Administration's request. These programs provide vital assistance to State and local agencies and partnership groups. In addition, the bill fails to include \$40 million requested to buy mineral rights in Big Cypress National Preserve, Florida, which would prevent future development of oil and gas in the Preserve and thereby contribute to the Nation's significant investment in Everglades restoration. The Administration encourages the House to fully fund these important programs.

The Administration commends the Committee for its effort to provide a prompt and fair resolution for the individual Indian money claims. Recently, the House Resources Committee and the Senate Select Committee on Indian Affairs also expressed interest in finding a fair and equitable resolution to these issues. We look forward to working with Congress and Indian Country to resolve these claims.

Department of Agriculture

The Administration encourages the House to provide the requested levels for the Forest Legacy and Forest Stewardship programs, which protect critically important private forest lands for a variety of conservation purposes.

Department of Energy (DOE)

The Administration opposes the \$63 million reduction from the President's \$288 million request for the Weatherization Assistance Program, that 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 House could restore funds for this program from the lower priority unrequested fossil energy research and development activities discussed below.

While the Administration appreciates the full funding of the President's Clean Coal Power initiative, the Administration urges the House to consolidate all coal research within the Office of Fossil Energy, as requested. The \$86 million deferral of Clean Coal Technology funds highlights the need for reform. In addition, the Administration objects to the \$90 million increase over the President's request for fossil energy research and development activities. Of particular concern is the \$10 million increase for natural gas technologies, and the \$17 million increase for petroleum technologies. 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.

The Administration also urges the House to restore funding for the National Climate Change Technology Initiative Competitive Solicitation program, a key component of the President's strategy to fund innovative technologies that can significantly reduce greenhouse gas emissions.

Indian Health Service (IHS)

The Administration is concerned that the bill fails to fund the requested \$21 million increase for the construction of IHS sanitation facilities. Safe water and waste disposal is critical to improving the health of Indian people, specifically by reducing infant mortality and gastrointestinal disease.

The Administration also notes the Committee's desire to be apprised of actions taken by the Department of Health and Human Services (HHS) to improve the management of human resources across the Department. HHS is committed to providing information to the Committee on a timely basis as it moves ahead with these efforts as part of the Administration's broader initiative to strengthen the management of the Federal Government.

Potential Amendments – Roadless Rule and RS 2477

The Administration understands that amendments may be offered on the House Floor that would prohibit the Forest Service from funding modifications to the pending Roadless Area Conservation Rule (RACR), undertake management activities within lands affected by the RACR, or

both. The Administration strongly opposes either approach. Litigation on the RACR is ongoing in the courts of several circuits. Recently the Federal District Court for the District of Wyoming permanently enjoined implementation of the rule. In view of this decision, a legislative prohibition at this time would likely lead to serious unintended adverse effects, including the absence of any rule protecting roadless areas. The amendments also would disallow the adjustment of approximately 2.8 million acres that have existing roads but nonetheless were included in the roadless area inventory. Such an approach would weaken our ability to deal with catastrophic wildfires while also compromising the continued maintenance of many existing facilities, such as dams, utility corridors, and water transportation systems. The Administration strongly opposes any action that would jeopardize these critical resources. The Administration would also strongly oppose any amendment which would contradict the 1997 final land and resource management plan for the Tongass National Forest. This plan has been upheld by the courts and assures protection of 95% of the roadless areas in Tongass.

We also understand that an amendment may be offered to limit the ability of the Department of the Interior to process county road – “R.S. 2477” -- rights of way claims. The Department has reached an agreement with the State of Utah to use a public and collaborative process to consider claims made by the state and county officials for valid existing rights of way to publicly traveled and regularly maintain roads and the Administration would strongly oppose such an amendment. This process is an alternative to federal court litigation and does not apply to county roads rights of way within National Parks, Wildlife Refuges, Wilderness or Wilderness Study Areas.

Constitutional Concerns

The Administration urges the Congress to revise the more than a dozen unconstitutional provisions in the Act that purport to require the executive branch to obtain approval or consent of congressional committees for the execution of a law. The provisions should call for notification to Congress rather than for committee approval or consent, so that the provisions are consistent with the constitutional principles set forth by the U.S. Supreme Court in 1983 in *INS v. Chadha*. Also, the provisions that purport to require executive branch submission of requests for supplemental appropriations should be revised to provide for such submission only when the President judges it necessary and expedient, as the Recommendations Clause of the Constitution provides.

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