



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

October 16, 2003
(Senate and House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

S. 1689 and H.R. 3289 - Making Emergency Supplemental Appropriations for Iraq and Afghanistan Security and Reconstruction for FY 2004, and for Other Purposes

(Sen. Stevens (R) Alaska, Sen. Byrd (D) West Virginia)
(Rep. Young (R) Florida, Rep. Obey (D) Wisconsin)

The Administration commends both the House and Senate Appropriations Committees for their expeditious action in reporting their respective FY 2004 Emergency Supplemental for Iraq and Afghanistan Security and Reconstruction Bills and looks forward to working with the Congress to ensure swift enactment of this legislation. The Administration supports both House and Senate passage of the legislation.

The President's request reflects the urgent and essential requirements to assist the United States and our coalition partners in making additional progress in the war on terror. The Supplemental provides funds to ensure the success of our men and women in uniform. By working to establish Iraqi and Afghan nations that are free, prosperous, and at peace with their neighbors, the security of America and her citizens will be enhanced.

The requested funds are critical to establishing self-governing nations and creating conditions for economic growth and investment. By helping the Iraqi and Afghan people build democratic nations, the United States and our allies are bringing liberty and hope to a troubled region, and undermining a key base of operations for terrorists.

The Administration strongly opposes efforts to convert any portion of this assistance to a loan mechanism. Doing so would slow efforts to stabilize the region and to relieve pressure on our troops, raise questions about our commitment to building a democratic and self-governing Iraq, and impair our ability to encourage other nations to provide badly needed assistance without saddling Iraq with additional unsustainable debt burden. The United States' contribution for security and for sectors critical to stability and growth will have an immediate and significant impact on improving the lives of Iraqi people. An economically stable and peaceful Iraq is essential to our Nation's security.

The Administration understands there may be proposals to add provisions to the House and Senate versions of the bill that are not directly related to on-going military operations in Iraq and Afghanistan or relief and reconstruction activities in these countries. The Administration strongly opposes any such amendments, including an amendment that was accepted by the Senate to provide for expanded benefits under the TRICARE program.

The Administration is also concerned that the current House version of the bill reduces the President's request for Iraq Relief and Reconstruction by \$1.7 billion. The Administration will continue to work with the Congress to ensure funding is provided for high-priority items such as maximum security prisons, the American Iraqi Enterprise Fund, local governance and municipalities, and the Basrah Pediatric Hospital.

To avoid any conflict with the President's constitutional authorities, (1) section 304 of the Senate bill should be amended to eliminate the requirement for 90 days advance notice to Congress for changes in command responsibility or permanent assignment of forces and should instead require notice as promptly as practicable, and (2) the last two provisos under the heading "Iraq Relief and Reconstruction Fund," which relate to the content of a new constitution for Iraq, should be made clearly advisory.