

July 16, 2001
(House Rules)

**H.R. 2500 - DEPARTMENTS OF COMMERCE, JUSTICE,
AND STATE, THE JUDICIARY, AND RELATED AGENCIES
APPROPRIATIONS BILL, FY 2002**
(Reps. Young (R) Florida and Obey (D) Wisconsin)

This Statement of Administration Policy provides the Administration's views on the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 2002, as approved by the House Committee.

We commend the Committee's efforts to fund agencies and programs at the President's request and within the levels agreed to under the budget resolution. For example, the Administration is pleased that the Committee provided funding for embassy security, diplomatic readiness, and State Department reform initiatives. The Administration is also pleased that funding provided for the Departments of Commerce and Justice is generally consistent with the President's request. The Administration especially appreciates the Committee's support for the President's proposals to reduce funding for the Advanced Technology Program and Information Infrastructure Grants, the inclusion of the proposed cruise ship inspection fee and increased airline inspection fees, efforts to combat terrorism and fight cybercrime, and funding for Project ChildSafe, Project Sentry, Drug Courts, and the Southwest Border Prosecutor initiative at the President's request.

While the Administration supports the bill, we would like to take this opportunity to share some concerns with the Committee's version of the bill. We look forward to working with Congress to resolve these issues as the bill moves forward.

Small Business Administration (SBA)

We support the Committee's assumption that the Small Business Investment Company program will become self-sufficient through fee increases as proposed by the Administration and will not, therefore, require any appropriation. However, we are disappointed that the Committee's mark does not make the same assumption about the 7(a) General Business Loan program.

State Department

While the Administration appreciates the Committee's efforts to fund the President's priorities, the bill provides less than the full funding request in a number of areas. The Administration would appreciate the opportunity to discuss the ramifications of these reductions with the Committee.

The Administration is concerned that the provision conditioning \$100 million for the United Nations on a certification that the United Nations is keeping within its 2000-2001 biennial budget may unduly restrict the President's ability to conduct foreign policy. The Administration is also concerned that the provision limiting spending on machine-readable visa fee revenues would constrain a program important to our border security and urges the

Committee to remove the limitation.

Earmarked Projects

The Administration is concerned about the level of earmarking in this bill. The Justice portion of the bill contains at least \$329 million in earmarks for 220 projects, approximately \$141 million more and 131 projects over the FY 2001 House-passed version of the bill. The Committee also appears to have earmarked all the available funding in several areas, including Byrne discretionary grants and the COPS law enforcement technology program. The Committee's level of earmarked funding diminishes each agency's ability to distribute these funds based on merit.

Additional Concerns: FCC/E-rate; Salmon Recovery, MARAD, EXOP Consolidation

The Administration recommends inclusion of the language proposed in the President's budget that would direct the Federal Communications Commission (FCC) to modify the E-rate program to enable local education administrators to utilize E-rate discounts to meet their specific needs more effectively and to support student achievement more fully. The Administration will provide additional information about this proposal to the Committee to address any questions that it may have.

The Administration appreciates the Committee's overall support for salmon recovery efforts. However, we recommend that the \$20 million provided for the Pacific Salmon Recovery Fund be reallocated to Pacific Salmon Treaty funding to support similar salmon habitat restoration activities while at the same time ensuring that the United States meets its treaty commitments.

The Administration is disappointed that the Committee did not support the President's proposal to transfer funding and management of the Maritime Security Program (MSP) to the Department of Defense. MSP supports U.S. national security, and the program would be more effectively managed through the Department of Defense.

The Administration is also disappointed that the Committee did not address the proposed consolidated appropriation for the Executive Office of the President (EXOP). This proposal would consolidate the current 18 separate EXOP appropriations, which includes the Office of the U.S. Trade Representative, into one. It would enable the President to manage his office effectively and align resources consistent with his needs. It would also ensure that the EXOP has the ability to achieve economies of scale in purchasing not now available.

Infringement on Executive Authority

Section 610 of the bill would preclude the use of funds to maintain diplomatic relations with Vietnam unless the President certified to Congress that Vietnam has satisfied specific conditions mandated by Congress. The provision is an unconstitutional condition on the exercise of the President's power to control the recognition and non-recognition of foreign governments, and the Committee is urged to delete the provision.

[Ed. Note: Copied from <http://www.whitehouse.gov/omb/legislative/sap/107-1/HR2500-r.html> and converted to PDF without change on August 13, 2006.]