

September 21, 2001
(House)

H.R. 2904 - MILITARY CONSTRUCTION APPROPRIATIONS BILL, FY 2002
(Reps. Young (R) Florida; Obey (D) Wisconsin)

This Statement of Administration Policy provides the Administration's views on the Military Construction Appropriations Bill, FY 2002, as reported by the House Committee. We look forward to working with Congress to ensure that the Nation's priorities are met while encouraging the economic growth that is the essential guarantee of continued fiscal strength. A number of the programs funded within this bill may have modified requirements as a consequence of the terrorist attacks of September 11, 2001. The Administration is currently reviewing these new requirements and anticipates funding them through the FY 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States.

The Administration commends the Committee's efforts to produce a bill in line with the Administration's defense priorities. In particular, we appreciate the Committee's full support of the President's Housing Initiative to improve the quality of life for America's military service members. We also appreciate the full funding of the Chemical Demilitarization and Base Realignment and Closure programs.

Overall Funding Level

While we support the Committee's intent of improving service members' quality of life, the bill's overall funding level exceeds the Administration's request by over \$500 million. Within this net increase, the Committee has funded about 70 unrequested projects. This increase for unrequested projects could potentially constrain the Committee's ability to support higher priority programs in other areas.

Raising the Davis-Bacon Threshold

The Committee bill does not include language raising the Davis-Bacon threshold for military construction and family housing construction contracts. The Administration believes that having the Davis-Bacon requirements apply only to contracts over \$1 million would save money, simplify contracting procedures, and encourage wider participation by small businesses. The Administration hopes the House will include this change in subsequent versions of the bill.

NATO Security Investment Program (NSIP) and the Partnership for Peace

The Committee elected to retain language restricting the use of NSIP or other military construction funding to support the Partnership for Peace programs in the countries of the former Soviet Union. We believe that this provision could adversely affect U.S. foreign policy options for this program and hinder our support of future NATO-led programs. We would like to work with the House to delete this restriction from the bill.

[Ed. Note: Copied from <http://www.whitehouse.gov/omb/legislative/sap/107-1/HR2904-h.html> and converted to PDF without change on August 13, 2006]