



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

June 25, 2007
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2643 – Interior, Environment, and Related Agencies Appropriations Act, 2008
(Sponsor: Rep. Obey (D), Wisconsin)

The Administration strongly opposes H.R. 2643 because, in combination with the other FY 2008 appropriations bills, it includes an irresponsible and excessive level of spending and includes other objectionable provisions.

The President has proposed a responsible plan for a balanced budget by 2012 through spending restraint and without raising taxes. To achieve this important goal, the Administration supports a responsible discretionary spending total of not more than \$933 billion in FY 2008, which is a \$60 billion increase over the FY 2007 enacted level. The Democratic Budget Resolution and subsequent spending allocations adopted by the House Appropriations Committee exceed the President's discretionary spending topline by \$22 billion, causing a 9 percent increase in FY 2008 discretionary spending and nearly a 10 percent increase in the projected deficit if the entire amount were expended in FY 2008. In addition, the Administration opposes the House Appropriations Committee's plan to shift \$3.5 billion from the Defense appropriations bill to non-defense spending, which is inconsistent with the Democrats' Budget Resolution and risks diminishing America's war fighting capacity. In combination with other spending bills, H.R. 2643 would lead to spending and tax increases that put economic growth and a balanced budget at risk.

H.R. 2643 exceeds the President's requests for programs funded in this bill by \$2 billion, part of the \$22 billion increase above the President's request for FY 2008 appropriations. The Administration asked that Congress demonstrate a path to live within the President's topline and cover the excess spending in this bill through reductions elsewhere. Because Congress has failed to demonstrate such a path, if H.R. 2643 were presented to the President, he would veto the bill.

The President has called on Congress to reform the earmarking process that has led to wasteful and unnecessary spending. Specifically, he called on Congress to provide greater transparency and full disclosure of earmarks, to put them in the language of the bill itself, and to cut the cost and number by at least half. The Administration opposes any efforts to shield earmarks from public scrutiny and urges Congress to bring full transparency to the earmarking process and to cut the cost and number of earmarks by at least half.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

Department of the Interior

The Administration supports the requested \$100 million that has been included for park operations to fund the National Park Service Centennial Initiative, which will enhance park operations and visitor experiences. The Administration also appreciates the funding for Preserve America Grants, which provide seed money to local groups that seek to use heritage tourism as a sustainable approach for preserving historic sites.

The Administration supports the bill's adoption of some of the Administration's proposed program terminations and savings, and urges the House to consider additional terminations and reductions, such as the BIA Housing Improvement Program. The Administration urges Congress to avoid past mistakes of excessive funding for land acquisition and construction that create huge operations and maintenance backlogs such as the Administration confronted when it came into office.

The Administration strongly opposes language that would force holders of certain deepwater oil and gas leases issued in 1998/1999 by the prior Administration to either renegotiate the terms of the leases or face being barred from future oil and gas leasing in the Gulf of Mexico. Although the contracts omitted a price threshold, the Administration does not support their abrogation. Significant investment has been made by both the original lessees and by third parties that have subsequently purchased these 1998/1999 leases. This provision is likely to significantly delay future lease sales in the event that the provision is litigated. The Administration continues to discuss voluntary agreements to implement prospectively price thresholds for these leases; however, the United States government unilaterally forcing renegotiation of contract terms nearly a decade after agreement was reached establishes a bad precedent for future U.S. government contract negotiations, and it does not meet the standards the United States expects from foreign governments in their business dealings with American firms.

The Administration strongly urges the House to eliminate language regarding the Office of the Special Trustee for American Indians that extends the time when the statute of limitations can begin regarding tribal and individual Indian mismanagement claims. The provision is no longer necessary because the relevant beneficiaries have largely filed suit. Moreover, recent court opinions can be read to interpret the provision as having the unintended effect of reviving previously barred lawsuits, which could result in costly litigation and create a potential liability risk.

Environmental Protection Agency (EPA)

The Administration supports the increased funding for the Clean Diesel Initiative; the Administration strongly encourages the House to preserve agency flexibility to target these funds where they are most needed which is in areas that have not attained criteria pollutant standards.

The Administration opposes the Committee's increase in the total funding for EPA by \$887 million above the President's Budget Request. In particular, the \$437 million increase for the Clean Water State Revolving Fund would exceed by 63 percent the level requested by the Administration to meet the commitment made in the 2004 Budget to provide \$6.8 billion in capitalization grants between 2004 and 2011 and meet the long-term revolving level goal of \$3.4 billion.

The Administration supports the bill's full funding of Decontamination and Laboratory Preparedness and Response for Homeland Security but is disappointed the Committee has not provided the additional \$4 million requested specifically for the Water Security Initiative. This program is needed to increase the protection of the Nation's drinking water systems.

While the Administration shares the Committee's commitment to address the important issue of climate change, the creation of a Commission on Climate Change Adaptation and Mitigation would duplicate existing efforts by Federal agencies and the Intergovernmental Panel on Climate Change, which the Federal government substantially funds. New resources should instead be directed to the development and deployment of important emissions-reducing technologies and implementation activities and strategies.

The Administration has an established process that works to develop and deploy U.S. expertise and technology at home and globally, including through the Asia-Pacific Partnership. We encourage the House to embrace the Administration's approach and fully fund the Asia-Pacific Partnership for the four agencies involved, rather than establishing a study commission. These innovative partnerships will advance our Nation's goal of reducing greenhouse gas emissions intensity in the context of sustained economic growth.

Department of Agriculture

The Administration supports the bill's funding for the Northwest Forest Plan and the President's Healthy Forests Initiative but believes the overall funding level proposed in the Budget for the Forest Service is adequate.

The Administration shares the Committee's concerns with the escalating costs of wildland fire suppression but objects to funding suppression costs at less than the full 10-year average adjusted for inflation. Despite allocating total funding far in excess of the President's request for this bill, the Committee did not provide the full 10-year average to combat the largest and most dangerous fires, since it did not take into account for the entire ten years the effect of indirect costs that Congress recently required be assessed against suppression. The Administration urges the House to restore the requested level and thereby fund suppression at the full 10-year average. The Administration also urges the House to establish the requested fund for wildland firefighters to enhance performance, improve accountability, and provide the Forest Service greater efficiency and flexibility in managing wildland fires.

Other Agencies

The Administration does not support the increase in funding above the request for the arts and cultural agencies, particularly the significant increases for the National Endowments for the Arts and the Humanities and the Commission of Fine Arts. The funding provided in the President's Budget will ensure adequate resources for these programs.

Competitive Sourcing

The Administration strongly opposes language that prohibits the Forest Service from improving its operations through competitive sourcing. The Administration also opposes caps that limit the

Department of Interior from using competition as a management tool. Both the Forest Service and the Department have used public-private competition in a fair and reasoned manner to improve the efficiency of their programs. On a government-wide basis, competitions conducted over the last four years are expected to produce nearly \$7 billion in savings, with the majority of savings to be achieved in the next 5-7 years. The House is urged to strike this language.

Constitutional Concerns

Several provisions of the bill purport to require approval of the Committees prior to Executive Branch action. These are included under the headings, “Administrative Provisions,” United States Fish and Wildlife Service, and “Administrative Provisions, Indian Health Service,” and in section 405. Since these provisions would contradict the Supreme Court’s ruling in *INS v. Chadha*, they should be changed to require only notification of Congress. Further, language under the heading, “Historic Preservation Fund,” purports to require that the Secretary of the Interior consult with the Committees on Appropriations prior to approving projects. Because this provision would infringe on the separation of powers, it should be modified to be permissive.

The bill would create a new commission under the heading of the Environmental Protection Agency to be known as the Commission on Climate Change Adaptation and Mitigation. Certain provisions of this section prescribe the composition of the Commission to include named officials who are not Presidentially appointed. Because the Commission, including these members, would have authority to recommend specific “steps” that would be binding on the Federal government, the provision would violate the Appointments Clause. This provision should be modified to provide that its recommendations are purely advisory or, in the alternative, to provide for appointments by the President, with the advise and consent of the Senate.

Section 412 would authorize two Executive departments to enter into agreements with foreign countries regarding the provision of firefighter services and would impose specific requirements in such agreements. This provision is objectionable to the extent that it would infringe on the President’s constitutional authority over negotiations with foreign states. The provision should be reworded to make it permissive.

A provision under the heading, “Administrative Provisions, Environmental Protection Agency,” purports to limit the use of funds in contravention of a 1994 Executive Order. That Executive Order confers no rights on third parties, and this provision will not be read to preclude or limit the President’s authority to revise, amend, or revoke any Executive Order.

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