

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

April 25, 2005

The Honorable Jerry Lewis Chairman Committee on Appropriations U.S. House of Representatives Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 1268, the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, as passed by the House and the Senate. The Administration thanks both the House and the Senate for their support of the President's overall request. The funds included in both the House and Senate versions of the bill will provide much needed support for the Department of Defense's operations, selected other international activities, and Indian Ocean tsunami relief and reconstruction.

The Administration strongly urges Congress to complete its deliberations prior to the upcoming Senate recess. Delay in the enactment of these supplemental funds will adversely affect the ability of the Armed Services, particularly the Army, to sustain operations in Iraq and Afghanistan and maintain quality of life activities for the troops and their families.

#### Defense-Related Activities

The Administration appreciates Congress' strong support for the President's funding request for ongoing military operations in the Global War on Terror, the purchase of equipment directly related to these operations, and support for the participation of other nations in the coalition.

The Administration also appreciates that Congress has supported the President's initiative to enhance payments to the families of service members who die in harm's way. The Administration urges Congress to support the President's version of this expanded benefit, which specifically honors those service members who have made the ultimate sacrifice in the Global War on Terror. Additionally, the Administration appreciates the Senate's support for an insurance benefit for service members who suffered traumatic injuries.

The Administration appreciates Congress' strong support for improving Iraqi and Afghan security forces. The Administration is concerned, however, about House and Senate provisions that make it more difficult to transfer funds between agencies. In addition, the Senate bill provides a lower level of funding for the Iraqi and Afghan security forces. The conferees are urged to adopt the Administration's proposal.

The Administration appreciates the Senate's support for the participation of the nations that are our coalition partners in the War on Terror. The Administration is concerned that the House does not provide the full request to assist, sustain, and otherwise support our coalition partners. The conferees are urged to adopt the Senate position, which will enable our coalition partners to assist US forces in Iraq, Afghanistan, and elsewhere in the Global War on Terror.

The President's FY 2006 Budget reflects the Department of Defense's commitment to meeting the threats and challenges of the 21<sup>st</sup> Century. The Administration is concerned that the Senate-passed bill limits the Department of Defense's flexibility for its transformation agenda by affecting the planned acquisition strategy for several major programs, including the C-130J airlifter and the Chemical Demilitarization programs. The Department of Defense is examining strategies to control costs in its modernization effort and should be allowed to balance cost, schedule, and performance in an optimum manner. The Administration urges the conferees not to include these provisions in the final bill.

The Administration is also concerned that the Senate bill includes a provision that would prevent the Navy from retiring the USS John F. Kennedy. We urge the conferees not to include this provision in the final version of the bill nor any requirement to obligate funds for the maintenance and repair of a ship the Navy believes is no longer essential. Further, the Administration opposes a requirement to maintain at least 12 active aircraft carriers as the Department is currently engaged in a Quadrennial Defense review that will examine options for the Navy shipbuilding program and make recommendations to ensure force structure addresses future needs.

In addition, the Administration opposes a provision in the Senate-passed bill that would provide full civilian pay to Federal-employee military reservists. Activated reservists would earn more than other active duty personnel of the same rank, based solely on their civilian jobs. This provision would increase costs and have a negative impact on morale and unit cohesion.

#### International Affairs and Reconstruction Activities

The Administration appreciates the Senate's level of funding to promote democracy and to rebuild the infrastructures in Afghanistan, southern Sudan, Ukraine, and the West Bank and Gaza. The Administration especially appreciates the Senate's support for the Solidarity Initiative. The Coalition Fund would provide assistance to our partners in Iraq and Afghanistan, and the GWOT Partners Fund would provide critical assistance to strengthen our allies' capabilities to fight the war on terror. Fully funding the President's request for the Solidarity Initiative at \$400 million would provide a powerful demonstration of U.S. support for freedom and democracy.

The Administration also urges the conferees to provide funding to support the expeditious construction of a new U.S. embassy complex in Baghdad. The Administration urges the conferees to fully fund the State Department's embassy operating expenses in Iraq and Afghanistan, as included in the House-passed bill. These funds are essential to improving the safety and security of Americans working in the embassy.

The Administration appreciates Congress' efforts to provide assistance in the recovery from the Indian Ocean tsunami and strongly urges the conferees to include the Senate-passed bill's provision allowing the United States to provide debt deferral to countries affected by this disaster. We are concerned, however, that the earmarks included in the Senate-passed bill would restrict the Administration's flexibility in responding to the needs of these countries, and we urge the conferees to support the President's request.

The Administration is also concerned that critical funding for UN peacekeeping missions is substantially reduced in both the House and Senate bills. These funds should be restored in conference to meet U.S. assessments for new missions for Haiti, Cote d'Ivoire, Burundi, and Sudan.

The Administration is concerned with a provision in the bill that would impede the Administration's effort to implement the North-South Peace Accords and to bring a swift end to the violence and atrocities in Darfur, particularly the provisions requiring a report to Congress 30 days prior to waiving sanctions and specifying actions to be taken. The conferees are urged to strike this provision.

### Immigration and Asylum Issues

The Administration strongly urges the conferees to include the Real ID Act of 2005 in the final version of the bill. This important legislation will strengthen the ability of the United States to protect against terrorist entry into and activities within the United States. In particular, the legislation tightens procedures for non-citizen entry into and presence in the United States, facilitates the building of physical barriers where appropriate to protect U.S. borders, and facilitates the strengthening of State standards for the security and integrity of drivers' licenses. The Administration has some concerns with the House-passed version of the bill and will work with the conferees to make sure these concerns are addressed. The Administration also supports provisions in the Senate version of the bill that would exempt returning seasonal, documented workers from current visa caps.

## Non-emergency Spending

Congress demonstrated strong fiscal discipline in holding total discretionary spending to 4 percent growth and non-security spending to 1 percent growth in FY 2005. The legislation under consideration by the conferees contains funding that is unrelated to the War on Terror and relief and reconstruction for the Indian Ocean tsunami or is not an emergency requirement. To maintain spending discipline, it is critical that funding in this bill be limited to requirements directly related to these purposes.

The Administration looks forward to working with Congress on these concerns to complete action on this bill as soon as possible.

Sincerely,

Joshua B. Bolten

Director

Identical letter sent to The Honorable Jerry Lewis, The Honorable David R. Obey, The Honorable Thad Cochran, and The Honorable Robert C. Byrd