



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

June 1, 2015
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2578 — Commerce, Justice, Science, and Related Agencies
Appropriations Act, 2016
(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.R. 2578, making appropriations for the Departments of Commerce and Justice, Science, and Related Agencies for the fiscal year ending September 30, 2016, and for other purposes. The bill drastically underfunds critical investments in research and development that are key to advancing U.S. economic competitiveness and reducing taxpayer costs for securing essential weather satellite data and conducting an effective 2020 census. It also severely underfunds State and local criminal justice assistance that helps ensure the safety and well-being of individuals and communities, and underfunds programs that would increase the use of body-worn cameras by law enforcement, expand training, provide much-needed police department reform, and multiply the number of cities where the Department of Justice facilitates community and local law enforcement engagement. It also cuts support for NASA's Commercial Crew Program that will help end our reliance on Russia for transporting astronauts, critical space technology investments that will help pave the path to reaching Mars, and earth science research that is helping us understand how our climate is changing and how to respond to earthquakes, droughts, and severe weather events. Furthermore, the legislation includes highly objectionable provisions, including provisions that continue unwarranted restrictions regarding detainees held at Guantanamo Bay that will undermine our national security, severely inhibit efforts to combat illegal gun trafficking, and put in place non-germane foreign policy restrictions related to Cuba. If the President were presented with H.R. 2578, his senior advisors would recommend that he veto the bill.

Enacting H.R. 2578 and adhering to the congressional Republican budget's overall spending limits for fiscal year (FY) 2016 would hurt our economy and shortchange investments in middle-class priorities. Sequestration was never intended to take effect: rather, it was supposed to threaten such drastic cuts to both defense and non-defense funding that policymakers would be motivated to come to the table and reduce the deficit through smart, balanced reforms. The Republican framework would bring base discretionary funding for both non-defense and defense for FY 2016 to the lowest real levels in a decade. Compared to the President's Budget, the cuts would result in tens of thousands of the Nation's most vulnerable children losing access to Head Start, more than two million fewer workers receiving job training and employment services, and thousands fewer scientific and medical research awards and grants, along with other impacts that would hurt the economy, the middle class, and Americans working hard to reach the middle class.

Sequestration funding levels would also put our national security at unnecessary risk, not only through pressures on defense spending, but also through pressures on State, USAID, Homeland Security, and other non-defense programs that help keep us safe. More broadly, the strength of

our economy and the security of our Nation are linked. That is why the President has been clear that he is not willing to lock in sequestration going forward, nor will he accept fixes to defense without also fixing non-defense.

The President's senior advisors would recommend that he veto H.R. 2578 and any other legislation that implements the current Republican budget framework, which blocks the investments needed for our economy to compete in the future. The Administration looks forward to working with the Congress to reverse sequestration for defense and non-defense priorities and offset the cost with commonsense spending and tax expenditure cuts, as Members of Congress from both parties have urged.

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

Department of Commerce

Census Bureau Periodic Censuses and Programs (including 2020 Decennial Census). The Administration strongly objects to the inadequate funding provided to the Census Bureau to produce robust economic and demographic data and prepare for the 2020 Decennial Census. The Committee's proposed funding level would increase taxpayers' cost of conducting the 2020 Decennial Census by billions of dollars by preventing the Census Bureau from developing, testing, and implementing critical cost saving innovations. In addition, the reductions in funding for the American Community Survey threaten the data availability and coverage for rural communities and communities with small populations, depriving businesses and policy makers of the data necessary to make informed decisions.

National Institute of Standards and Technology (NIST) Labs. The Administration urges the Congress to fund NIST research at the requested level given the important contributions that NIST makes to the U.S. economy. Instead, the bill would eliminate funding for the lab-to-market initiative, constraining benefits to commercial entities and taxpayers from moving cutting-edge technologies out of Federal labs into the market. It would also reduce NIST funding for research that can strengthen U.S. leadership in the industries of the future, such as cyber-physical systems and biomanufacturing.

Manufacturing Programs. The Administration strongly objects to the lack of funding provided for manufacturing programs at NIST that would strengthen U.S. manufacturing at a time when an historic resurgence in U.S. manufacturing is taking hold. In particular, the Committee provides none of the requested funds for the Department of Commerce to establish two manufacturing institutes as part of the National Network for Manufacturing Innovation that are designed to bridge the gap between basic research and product development for technology areas. These institutes encourage investment and production in the U.S. creating good jobs now and preparing American workers for future opportunities in the advanced manufacturing sector. In addition, the funding level in the bill would not allow the Manufacturing Extension Partnership to provide its services to additional small and medium-sized manufacturers.

National Oceanic and Atmospheric Administration (NOAA) Infrastructure. The Administration objects to the bill's funding level for NOAA's Procurement, Acquisition, and Construction program, which precludes needed long-term infrastructure investments to collect critical environmental data. While the bill includes the requested funding for the current generation of

critical weather satellites, it fails to provide the necessary resources to initiate the development of the next generation of polar-orbiting weather satellites. The continuity of these satellites has been highlighted as a high risk by independent groups and the Government Accountability Office. In addition to informing the day-to-day operations of businesses and individuals, weather data from NOAA satellites help predict the potential impact of extreme weather events, which lets communities and emergency responders prepare. Not only would the bill heighten the risk of a gap in satellite coverage, but its shortsighted reductions mean that the next generation of polar-orbiting weather satellites would cost taxpayers more. In addition, the Administration urges the Congress to provide the funding necessary to acquire a NOAA research vessel. NOAA's aging research fleet plays a critical role in the research and management of marine resources, directly supporting coastal economies and environmental stewardship.

NOAA Operations. The Administration appreciates the Committee's support for the National Weather Service; however, the Administration opposes the funding levels provided for the National Ocean Service and climate research programs, which are 15 percent and 32 percent below the FY 2016 Budget request, respectively. The reductions impact two high priority programs that help communities prepare for the effects of natural disasters and other ramifications of climate change and provide the science necessary to inform their preparations. The Administration also urges the Congress to provide the requested funding to support infrastructure permitting consultations, which would reduce project timeframes and support economic development.

International Trade Administration. The Administration urges the Congress to provide the requested funding level of \$497 million, which would allow for the expansion of the Interagency Trade Enforcement Center and SelectUSA. These investments directly support businesses trying to compete in a global economy by ensuring a level playing field and helping secure new investments in local communities.

Economic Development Administration (EDA). The Administration appreciates the Committee's support for EDA's Economic Development Assistance Programs. However, the Administration urges the Congress to provide the resources necessary for EDA to provide greater technical assistance to local communities and to make more effective use of a range of Federal economic development programs. The FY 2016 Budget request for EDA furthers the agency's goal of creating new jobs by expanding EDA's capacity to help communities develop and implement comprehensive strategies for regional economic growth, work across silos of Federal, State, and other sources of assistance, and leverage scarce resources to maximize economic and community development opportunities.

U.S. Digital Service Team. The Administration urges the Congress to fully fund the FY 2016 Budget request of \$6.4 million for the Department of Commerce to develop a U.S. Digital Service team. This funding would support the Department's efforts to manage the agency's digital services that have the greatest impact on citizens and businesses, including increasing the availability of key data sets and improving the Department's interactions with the public.

Internet Governance Transition. The Administration strongly objects to the provision that prevents the National Telecommunications and Information Administration from using funds to relinquish its responsibility with respect to internet domain name system functions, a commitment the U.S. Government made more than a decade ago. The successful transition of these functions would facilitate a free and open internet managed through a multi-stakeholder

governance structure.

Department of Justice (DOJ)

Federal Law Enforcement. The Administration appreciates the Committee's support for Federal law enforcement. The bill provides \$13.6 billion for the Department's law enforcement components and adequately funds key priorities including counterterrorism, counterintelligence, cybersecurity, and combatting illegal drugs and the trafficking of firearms. The Administration also appreciates the investments in gun safety, including Now is the Time Comprehensive School Safety.

Community Policing Initiative. The Administration appreciates the Committee's support for elements of the President's Community Policing Initiative, but strongly urges the Congress to fully fund the request. As the Nation has observed in Baltimore and other communities, trust between law enforcement agencies and the people they protect and serve is essential. However, compared to the FY 2016 Budget request, the bill substantially underfunds the body-worn camera program and related research, providing just \$15 million of the requested \$50 million for these purposes. Without these critical investments, the bill fails to fully support law enforcement and improve relations between communities and police. The Administration looks forward to working with the Congress to fully fund this important initiative.

State and Local Grants. The Administration strongly objects to the inadequate funding level provided for criminal justice assistance. The bill provides \$1.9 billion for State and local grants, which is approximately \$500 million below the FY 2016 Budget request. The Administration strongly objects to the lack of funding for traditional COPS programs, including the COPS hiring program, which could result in an estimated 1,300 fewer officers and diminish the capacity of the Nation's first responders. While the Edward Byrne Memorial Justice Assistance Grant Program is formula-based, the COPS Hiring Program provides hiring and retention assistance directly to communities most in need. In addition, the bill provides no specific funding for the National Institute of Justice and the Bureau of Justice Statistics; allocating funding out of the grant appropriations for these research and statistical programs would reduce grant programs by an additional \$114 million from the FY 2016 Budget request. The Administration is also concerned with the significant reduction to juvenile justice programs. These programs help reduce juvenile delinquency and crime, protect public safety, hold offenders accountable, assist missing and exploited children and their families, and provide treatment and rehabilitative services tailored to the needs of juveniles and their families.

Legal Representation for Unaccompanied Children. The Administration opposes the Committee's failure to provide for greater access to legal representation and services for unaccompanied children in our immigration court system. We need every element of the court process to work effectively to accomplish the goal of both honoring humanitarian claims and processing those individuals who do not qualify for relief. Although this bill supports some Administration immigration priorities, including the hiring of 55 additional Immigration Judge Teams, it fails to provide \$50 million requested for legal representation for unaccompanied children in removal proceedings. Without this funding, our efforts to process cases involving this vulnerable population will be less efficient and effective.

Violence Against Women. The Administration appreciates the support for the Community Teams to Reduce the Sexual Assault Evidence Kit Backlog and Improve Sexual Assault Investigations

Program. However, the Administration urges the Congress to provide adequate funding for the VAWA 20/20 Initiative and the Campus Program in order to address critical needs in the fight to stop violence against women, for the Tribal Special Domestic Violence Criminal Jurisdiction Program to support grants to assist tribal governments in exercising special domestic violence criminal jurisdiction, and for research into reducing the backlog of sexual assault kits. Investments in these programs would help to improve victim safety, save lives, and establish practices that can be sustained in the coming years.

General Legal Activities. The Administration is concerned that the bill neglects to provide the requested increases for civil rights, environmental protection, healthcare fraud enforcement, human trafficking disruption, cybercrime prosecution, or international law enforcement training and justice development. Given the recent events involving the mounting distrust between communities and law enforcement, the work of the Civil Rights Division in police reform is more important than ever. The bill provides \$885 million for General Legal Activities, \$152 million below the FY 2016 Budget request. This funding is insufficient to support the Administration priority to improve the Mutual Legal Assistance Treaty process, jeopardizing law enforcement access to information on international criminal and terrorist organizations.

Guantanamo Detainee Restrictions. The Administration strongly objects to sections 527 and 528, which would prohibit the use of funds for the transfer of detainees to the United States and for the construction, acquisition, or modification of any facility to house Guantanamo detainees in the United States. The President has repeatedly objected to the inclusion of these and similar provisions in prior legislation and has called upon the Congress to lift the restrictions. Operating the detention facility at Guantanamo weakens U.S. national security by draining resources, damaging U.S. relationships with key allies and partners, and emboldening violent extremists. These provisions are unwarranted and threaten to interfere with the Executive Branch's ability to determine the appropriate disposition of detainees and its flexibility to determine when and where to prosecute Guantanamo detainees based on the facts and circumstances of each case and U.S. national security interests. Section 527 would, moreover, violate constitutional separation-of-powers principles under certain circumstances.

Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). The Administration strongly objects to numerous provisions that would inhibit efforts to combat illegal gun activities, including unlawful trafficking, particularly where there has been little or no meaningful engagement with ATF on the provisions and their application. The Administration also urges the Congress to repeal a number of other unnecessarily restrictive provisions made permanent in prior years.

Restrictions on Foreign Relations with Cuba. The bill includes unrelated language regarding Cuban foreign policy, prohibiting funding to "facilitate, permit, license, or promote exports to the Cuban military or intelligence service."

Executive Office of the President

U.S. Trade Representative (USTR). The Administration urges the Congress to provide the requested funding level of \$56.3 million for USTR. The reduced funding level in the bill would limit USTR's ability to conduct major trade negotiations, enforce trade agreements, and pursue new and existing trade disputes.

Legal Services Corporation (LSC)

Legal Services Corporation. The Administration strongly opposes the Committee's deep reductions to LSC, which would deny legal assistance to more than 350,000 low-income Americans—including military families and veterans—and undercut the fundamental American commitment to equal justice for all. By reducing LSC's funding to the lowest level in 15 years, the bill would cause layoffs of more than 1,000 staff, including more than 430 attorneys at local programs, and the closure of 85 legal aid offices nationwide.

International Trade Commission (ITC)

The Administration is concerned that the bill does not fully fund ITC's lease expiration and housing plan. The requested level provides necessary funds to reduce ITC's footprint, reduce operating and rent expenses, and achieve efficiencies in the long term.

National Aeronautics and Space Administration (NASA)

Commercial Crew Program. The Administration is disappointed that the Committee underfunded NASA's Commercial Crew program by \$243 million. This would delay the date for launching U.S. astronauts to the space station with U.S. rockets and force a continued reliance on Russian capabilities, which currently require payments to Russia of approximately \$500 million per year.

Space Technology. The Administration urges the Congress to fully fund the FY 2016 Budget request for NASA Space Technology. Compared to the request, the bill reduces funding for these investments by \$100 million, or 14 percent, delaying development of a cutting-edge laser communication system; advanced, high power solar electric propulsion; and other space technology demonstrations, slowing progress on the journey to Mars, and impacting the international competitiveness of the U.S. commercial space industry.

Earth Science Missions. The Administration opposes the bill's reductions of Earth Science by more than \$200 million, jeopardizing missions that are helping us respond to earthquakes, droughts, and severe weather events and understand how the climate is changing. The bill also eliminates the launch of a key instrument used by western States to manage water supplies—while at the same time adding \$500 million above the requested level for the Space Launch System rocket.

Digital Accountability and Transparency Act of 2014 (DATA Act). The Administration urges the Congress to fully fund the FY 2016 Budget request for NASA and the National Science Foundation to implement the DATA Act. This funding will support the agencies' efforts to provide more transparent Federal spending data, such as updating information technology systems, changing business processes, and employing a uniform procurement instrument identifier.

National Science Foundation (NSF)

Topline Funding. The Administration strongly objects to the \$7.4 billion funding level provided for NSF. This level is \$329 million below the FY 2016 Budget request. The bill would lead to about 600 fewer research grants, affecting about 7,900 researchers, technicians, and students.

Especially hard hit by this reduction would be the geosciences and social, behavioral, and economic sciences, which would be reduced by 20 percent. The Committee's allocation of resources to specific disciplines would interfere with NSF's ability to respond to scientific opportunity.

Constitutional Concerns

Several provisions in the bill, particularly sections 509, 519, 531, and 540, would raise constitutional concerns in certain applications by intruding upon the President's constitutional authority over international diplomacy. The Administration looks forward to working with the Congress to address these constitutional concerns.

The Administration looks forward to working with the Congress as the FY 2016 appropriations process moves forward.

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