

Sheila Cole, Executive Director





www.house.gov/pence/rsc

Ph (202) 226-9717 / fax (202) 226-1633

Staff Contact: Russ Vought (x68581)

June 12, 2006

Appropriations Policy Brief

H.R. 4939 — Global War on Terror and Hurricane Relief Supplemental for FY06

Conference Report

BY THE NUMBERS:

In millions

	Request	House	Senate	Conf
Global War on Terror (incl. foreign aid)	70,470	72,096	70,939	70,426
Further Katrina Relief	19,762	19,105	28,857	19,336
Border Security	1,948	0	1,900	1,900
Avian Flu	2,300	0	2,589	2,300
Miscellaneous Provisions	41	747	4,613	468
Total	94,521	91,948	108,898	94,430

Budget Compliance: According to CBO, the bill is consistent with the top line the President is insisting upon (which includes \$2.3 billion for avian flu). H.R. 4939 designates the entire \$94.4 billion appropriated as an emergency and thus avoids the constraints of the budget resolution for FY 2006.

Items of Note:

Budget Deeming Language: Includes a deeming resolution so that the Senate cannot exceed a discretionary level of \$873 billion. The Senate had included a gimmick in the budget resolution allowing for \$7 billion in extra spending. **Note**: The House has already deemed a budget resolution for the FY 2007 appropriations cycle.

Highway Funding: Provides \$702 .4 million for the Emergency Relief (Highway) Program to fund back-logged highway projects, including \$100 million to respond to damage caused by Hurricane Dennis and winter storms in California. The bill proposed to pay for this funding with a rescission of excess highway contract authority. However, since the language

does not also adjust the annual obligation limitations, it is unlikely to result in outlay savings and thus real savings to the taxpayer. The back-logged highway projects include:

- \$11.5 million for three projects in AL
- \$6.6 million for three projects in AK
- \$1.9 million for a project in American Samoa
- \$227,823 for a project in AR
- \$309.1 million for four projects in CA (for damage dating back to 2002)
- \$4.0 million for two CO projects
- \$735,464 for a project in CT
- \$118.5 million for a project in FL
- \$4.9 million for two projects in ID
- \$756,055 for a project in KS
- \$3.9 million for a project in MA
- \$15.5 million for two projects in MO
- \$546,588 for a project in NV
- \$18.6 million for two projects in NH
- \$3.8 million for a project in NJ
- \$585,584 for a project in NM
- \$11.8 million for five projects in NY (for damage dating back to 1999)
- \$6.2 million for two projects in NC
- \$51.5 million for two projects in OH
- \$944,098 for a project in OK (for damage dating back to 2001)
- \$38.0 million for one project in OR
- \$8.8 million for two projects in PA
- \$2.5 million for one project in Puerto Rico
- \$1.7 million for one project in RI
- \$846,316 for two projects in SC
- \$5.1 million for one project in UT
- \$3.5 million for three projects in VT
- \$19.4 million for four projects in WA
- \$6.1 million for two projects in WV (for damage dating back to 2001)
- \$16.6 million for projects on "federal lands"

Border Security: Provides \$1.9 billion for border security and port security as follows: \$708 million for the Border Security Initiative (cost of deploying the National Guard as proposed by the President), \$1.2 billion for border security and enforcement at the Department of Homeland Security, and \$20 million for the Department of Justice.

Flood Insurance: Includes language allowing the National Flood Insurance Program to repay interest on the amounts borrowed from the Treasury by removing a \$30 million cap (included in the FY 2006 Homeland Security Appropriations bill, P.L. 109-90) and allowing "such sums as necessary for interest on Treasury borrowings."

Securing Nuclear Warheads in Russia: Provides \$44.5 million, as requested, "to fund urgent activities to secure nuclear warheads" in Russia.

Security Forces Funding: Provides \$3.0 billion for the Iraq Security Forces Fund and \$1.9 billion for the Afghanistan Security Forces Fund to train and provide equipment to the security forces in each country.

Defense Research & Development Funding: Provides \$710.7 million for research and development (R&D) activities, \$291.3 million below the House-passed level. It is unclear how such R&D funding is urgent, unforeseen, or temporary, therefore meriting inclusion in a war supplemental as opposed to being funded through regular order.

Death Gratuity Benefits: Provides for retroactive death gratuity benefits to those military members who died on active duty from May 12, 2005 to August 31, 2005.

Rescissions: Relies on various rescissions to offset the cost of new spending, including a \$119.4 million rescission of unobligated defense funds, \$37 million of Export-Import Bank funds, and \$7 million from peacekeeping operations. Since a CBO score is not yet available, it is unclear whether these rescissions result in outlay savings and therefore real savings to the taxpayer.

Guatemala Relief Funds: Provides for \$6 million for relief and reconstruction activities in Guatemala resulting from Hurricane Stan.

International Disaster & Famine Assistance: Provides \$17.5 million for police and judicial reform in Haiti, \$50 million for Jordan, \$40.5 million for Pakistan to meet needs resulting from earthquakes, and \$50 million for Liberia.

Democracy Promotion: Provides \$20 million for promoting democracy in Iran and \$2.5 million for "immediate electoral assistance" in the Democratic Republic of Congo. In addition, \$36.1 million is provided for international broadcasting activities promoting democracy in Iran.

International Narcotics Activities: Provides \$107.7 million for international narcotics control activities, including \$3.3 million for the Peace and Justice Unit of the Columbia Fiscalia (supporting criminal investigations and prosecutions involved with demobilizing paramilitary organizations) and \$13 million to purchase an aircraft for the Columbian Navy.

Bar on Funding the Palestinian Authority: Prohibits funding for the Palestinian Authority until it has complied with the Quartet's standards contained in its January 2006 report. The President may waive this section if it is in the interest of national security and none of the funds would flow to Hamas or any entity effectively controlled by Hamas.

Oyster Activities: Provides \$38 million to the National Oceanic and Atmospheric Administration (NOAA) for "activities involving oysters."

Katrina Defense R&D Funds: Provides \$19 million for R&D defense activities affected by Hurricane Katrina, including \$12 million for a Littoral Combat Ship.

Shipyard Infrastructure/Northrop Grumman: Provides \$140 million for infrastructure improvements at Gulf Coast shipyards with Navy shipbuilding contracts damaged by Hurricane Katrina. According to press reports, this funding will help primarily Northrop Grumman facilities.

Projects: Provides Army Corps of Engineers funds for North Padre Island, TX (\$1.5 million), Sacramento, CA (\$30.4 million), and the Hawaii Water Systems Technical Assistance Program (\$2 million). In addition, the bill provides \$16 million for hurricane-damaged projects in Pennsylvania.

FEMA Funding: Provides \$6 billion for the Disaster Relief Fund (DRF) and \$279.8 million for the Disaster Assistance Loan Program. The Administration originally requested \$9.7 billion for these two accounts and later revised their request (to pay for additional Army Corps of Engineer spending) to equal \$7.5 billion. Since much of this funding is mandated by the Stafford Act after natural disasters, it will likely have to be "back-filled" at a later date, increasing the pressure to pass further supplementals.

Satellite Phones: Provides \$4 million for Community Health Centers to purchase satellite phones.

AmeriCorps Funding: Provides \$10 million for AmeriCorps funding.

Armed Forces Retirement Home: Provides \$176 million for a new Armed Forces Retirement Home in Gulfport, MS—of which a *portion* (\$64.7 million) is paid for unobligated defense balances.

Stennis Center/NASA: Provides \$35 million to repair and rehabilitate the Stennis Space Center and Michoud Assembly Facility.

Community Development Block Grants: Provides \$5.2 billion for CDBG funding, \$1 billion more than the House passed or the Administration requested.

Agriculture Assistance: Provides \$500 million for agriculture disaster assistance, including: \$40 million for sugar producers in Florida, \$40 million for sugar producers in Louisiana, \$400,000 for a "farmer-owned sugar cane cooperative" in Texas, \$95 million for the Livestock Compensation Program, \$45 million for the Livestock Indemnity Program, \$95 million for specialty crops, \$17 million for dairy producers, \$15 million for cotton seed producers, \$35 million for a tree assistance program, \$9.6 million to cover FSA administrative costs, \$100 million for a forestry conservation program, and \$8 million for aquaculture producers.

Avian Flu: Provides \$2.3 billion for avian flu preparedness and response activities.

Legislative Branch Funding: Provides \$27.6 million to make improvements in the utility steam tunnels at the Capitol Power Plant.

Mine Safety Funding: Provides \$35.6 million for mine safety activities (additional inspectors, training, equipment, research, etc.) at the Department of Labor and CDC.

Single Holder Rule: Repeals the "single holder rule" under the Higher Education Act which allows one's current lender the first opportunity to consolidate one's loan.

Technical Corrections for Various Earmarks: Makes technical corrections to various *existing* earmarks. For example, the bill strikes "Clark County Department of Aviation, Las Vegas" and inserts "University of Nevada, Las Vegas." For more information, please see Title VII "General Provisions."