



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

July 9, 2003
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 925 - Foreign Relations Authorization Act, Fiscal Year 2004

(Senator Lugar (R) Indiana)

The Administration supports Senate passage of S. 925, which authorizes appropriations for the Department of State, the Broadcasting Board of Governors (BBG), and the Peace Corps, and contains other foreign relations provisions, many of which are consistent with the Administration's request. The Administration would further support Senate passage of an amendment which incorporates S. 1161, the Foreign Assistance Authorization Act, fiscal year 2004, and would strongly support authorization of the Millennium Challenge Account based on the President's proposal. The Administration presents its views and concerns on each component, and looks forward to working with the Congress to address these and other concerns.

Amendment on S. 1161 - Foreign Assistance Authorization Act

The Administration commends the Senate Foreign Relations Committee for including a broad range of flexible foreign assistance and important defense export control authorities. This bill would authorize appropriations for bilateral economic and security assistance programs for fiscal year 2004, and U.S. contributions for several multilateral development banks. S. 1161 also includes a number of changes that the Administration sought to improve security assistance programs, as well as authorization for a Complex Foreign Contingency Account and creation of a Famine fund.

The Administration welcomes the Sense of Congress support expressed for the bilateral exemption from defense export licensing requirements for the United Kingdom and would urge an amendment to codify the exemption. The Administration intends to work with the Congress on legislative language to provide for debt relief for Pakistan - a partner in the War on Terrorism.

Provisions that concern the Administration include section 519, which is highly objectionable because it almost doubles the number of countries included in the Emergency Plan for AIDS Relief, which focuses resources on the most afflicted countries in Africa and the Caribbean. This increase will dilute the Plan's effectiveness, and the effort (in the 14 targeted countries) to develop programs and activities that would be successful models to then replicate elsewhere. Other provisions of concern include: (1) program authorizations in Title III (Radiological Terrorism Threat Reduction) that are duplicative of existing activities; (2) parts of Title IV that could inappropriately restrict global pathogen surveillance activities;

and (3) several authorizations of appropriations in excess of the President's request, and a reduction in the authorization for the Andean Counterdrug Initiative.

Provisions raising constitutional concerns include sections 308 and 413(c), requiring the Secretary of State to submit reports including budget recommendations. These provisions should be amended to provide for submissions only to the extent the President judges necessary and expedient, as provided by the Recommendations Clause of the Constitution. Sections 512 and 515(b) require reports that could disclose information relating to diplomatic activities and negotiations. These provisions would impermissibly infringe on the President's authority to conduct foreign affairs and international negotiations.

Amendment on "Mexico City" Policy

The Administration would strongly oppose any amendment that would overturn the Administration's family planning policy (commonly known as the "Mexico City" policy) and allow U.S. taxpayer funds to go to international organizations which perform abortions and engage in abortion advocacy. The President would veto the bill if it were presented to him with such a provision.

Amendment on Millennium Challenge Account (MCA)

The Administration understands that an amendment authorizing the creation of the MCA may be offered by Chairman Lugar and Senator Hagel. The Administration supports Senate passage of this amendment. The Administration supports legislation consistent with the principles outlined in the President's February 5, 2003, transmittal to Congress establishing a Millennium Challenge Corporation that would administer a new assistance program using innovative strategies with an emphasis on economic growth, country ownership and responsibility, and accountability for results. Only an autonomous corporation, guided by the U.S. foreign policy leadership, will have the flexibility and focus necessary to achieve these goals. We look forward to working with Congress to implement the President's vision on this important initiative.

Amendment on Iran Democracy

The Administration understands that an amendment on Iran democracy may be considered. The Administration supports full democracy for Iran, but we believe the focus of the bill on a referendum as the only tool for change in Iran is too narrow and advocate a broader range of activities to support democracy and human rights in Iran. We are concerned that funding private broadcasters operating in the United States would violate prohibitions regarding government subsidized dissemination within the United States of programming designed to shape public opinion, as well as divert critical funding for U.S. funded broadcasting, such as VOA and RFE/RL. It would be difficult to monitor private stations to ensure their programming reflects U.S. policy. We support the substitute to this amendment proposed by Chairman Lugar which addresses the Administration's concerns.

Amendment on Armenia

The Administration understands that an amendment on Armenia may be considered. We would oppose a specific reference to Armenia in amendment SA 541, which concerns the UN Genocide Convention. While we view the mass killings and forced exile of countless Armenians at the end of the Ottoman Empire as a horrible tragedy, the Administration instead favors reconciliation between Turkey and Armenia, coupled with frank discussion regarding these horrific events among Turks and Armenians around the world.

S. 925 - Foreign Relations Authorization Act

S. 925 for the most part contains authorities and appropriations authorizations that support and enhance the Administration's ability to carry out the Nation's foreign policy. Nonetheless, the bill contains a number of provisions that restrict the President's flexibility to conduct foreign policy; exceed the President's FY 2004 Budget request; or raise managerial or constitutional concerns.

Significant provisions that restrict the President's ability to conduct and manage foreign policy include: (1) section 401, which permanently raises the peacekeeping cap to 27.4 percent, and (2) section 803, which prohibits the elimination of U.S. international broadcasting in specified languages in Central and Eastern Europe that were proposed for elimination or reduction in the FY 2004 Budget building on a process that has been ongoing for as many as the last 8 years. The Administration seeks to shift our broadcasting reach from former Cold War countries with a growing free press, many of which are now joining NATO and the European Union, to new audiences in areas like the Middle East. The Administration objects to Section 813, a Sense of the Congress provision that seeks to narrow the United States' participation in international negotiations on global climate change to securing a "future binding climate change Treaty," which is based upon unbalanced and selective scientific findings and fails to consider the Administration's comprehensive domestic and international strategy to address potential long term global climate change.

Seven appropriation authorizations are in excess of the President's request. As well, certain provisions establish new unfunded benefits and would place pressure on the FY 2004 Budget, including sections 305 (additional post differentials and allowances) and 312 (certain additional housing benefits).

The Administration objects to section 203, which authorizes police powers to State Department contract guards, because its objective can be accomplished through administratively delegated protective authorities. The Administration has reservations concerning and will work with Congress on section 301, relating to assignments with foreign countries or entities, and has additional concerns, including section 303, which expands a proposed pilot program providing for a waiver of annuity limitations for re-employed Foreign Service annuitants into a permanent program. With respect to section 206, which concerns the capital cost sharing initiative for the construction of secure embassies overseas, which is currently under development within the Administration, we look forward to working with the Congress on the Administration's proposal.

Provisions raising constitutional concerns include: section 807, relating to Jerusalem, which would

infringe upon the President's constitutional authority to conduct the Nation's foreign affairs and supervise the unitary executive branch, and which is not conducive to a constructive diplomatic outcome in a particularly sensitive and difficult negotiating environment; section 403, which purports to direct Executive branch officials to use the U.S. voice and vote to oppose membership on UN Councils and Commissions for certain member nations; and provisions, such as section 808, which could be construed to be inconsistent with the President's constitutional authority with respect to foreign relations, national security, or deliberative processes of the Executive. Finally, sections 806 (requiring the Secretary of State to make proposals regarding compensation for victims of international violent crimes), and 905 and 906 (requiring certain Peace Corps reports) should be amended to provide for submissions only to the extent the President judges necessary and expedient, as provided by the Recommendations Clause of the Constitution.

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