

MEMORANDUM

TO: COLLINS & COMPANY CUSTOMERS

FROM: COLLINS & COMPANY

SUBJECT: C&C APPROPRIATIONS UPDATE

DATE: FEBRUARY 16, 2005

“...PRECIOUS TIME IS SPENT ON ORGANIZATIONAL MANEUVERING RATHER THAN RESOLVING THE MANY DIFFERENCES THAT MUST BE OVERCOME BEFORE APPROPRIATIONS BILLS CAN BE PRODUCED.”

Rep. David Obey (D-WI) on the House Appropriations Committee's reorganization.

“WE WILL MOVE THE WAR SUPPLEMENTAL QUICKLY AND CLEANLY THROUGH THE CONGRESS. CONGRESS WILL EXERCISE OUR CONSTITUTIONAL OBLIGATIONS WHILE EXPEDITING THE CONSIDERATION OF THIS REQUEST.”

House Appropriations Committee Chairman Jerry Lewis (R-CA) on President Bush's request to pass the supplemental appropriations bill without unrelated provisions.

Appropriations Committee Reorganization

The House Appropriations Committee has decided to go ahead with its reorganization plan despite the Senate's refusal to accept the plan. The House reorganization will dismantle three committees (District of Columbia, VA-HUD, and Legislative Branch) and shift their jurisdictions to other committees. The House Committees and Chairmen will be: Agriculture (Rep. Henry Bonilla, R-TX); Defense (Rep. Bill Young, R-FL); Energy & Water (Rep. David Hobson, R-OH); Foreign Operations (Rep. Jim Kolbe, R-AZ); Homeland Security (Rep. Harold Rogers, R-KY); Interior (Rep. Charles Taylor, R-NC); Labor-HHS-Education (Rep. Ralph Regula, R-OH); Military Quality of Life (Rep. James Walsh, R-NY); Science-State-Justice-Commerce (Rep. Frank Wolf, R-VA); and, Transportation-Treasury-HUD (Rep. Joe Knollenberg, R-MI). Representatives Rodney Frelinghuysen (R-NJ), Jack Kingston (R-GA), and Ernest Istook (R-OK) lost their positions as Appropriations "Cardinals" or chairmen with this reorganization

As we have previously mentioned, the Senate is not pleased with the House reorganization plan and it is not clear that they will reorganize to echo the changes in the House. The six House subcommittees that will receive new jurisdiction under the reorganization (Defense, Energy & Water, Interior, Military Quality of Life, Science-State-Justice-Commerce, and Transportation-Treasury-HUD) will likely face friction and complications during conference negotiations with the Senate. Reconciliation between bills that contain different components will likely slow the conference process and may lead to yet another end of year Omnibus Appropriations bill.

Further, House Democrats are displeased that two of their members would lose their status as Appropriations Ranking Members under the plan, Reps. José Serrano (D-NY) and Chaka Fattah (D-PA). Serrano was Ranking Member of the Science-State-Justice-Commerce Subcommittee, but was bumped by the more senior Rep. Alan Mollohan (D-WV) who was the Ranking Member of the eliminated VA-HUD Subcommittee. Fattah was Ranking Member of the abolished District of Columbia Subcommittee and also lost his seat on the dismantled VA-HUD subcommittee.

Many pundits believe that having different subcommittee organizations in the House and Senate will quickly become unworkable once the process gets underway this spring. It seems that House Chairman Lewis and Majority Leader DeLay, who initially introduced the reorganization plan, are betting that the Senate will bring their subcommittees in line with the House to prevent complete gridlock in the appropriations process.

Supplemental Appropriations

The President recently submitted a FY05 Supplementary Appropriations request primarily to continue funding for the war in Iraq and Afghanistan. The request asks for \$82 billion, of which \$75 billion is designated for the Pentagon. The White House is already gearing up for a fight over adding unrelated provisions to the bill. In a letter to House Speaker Dennis Hastert (R-IL), the President said, "I urge Congress not to attach to this proposal items that are not directly related to these emergencies abroad." Speaker Hastert's spokesman replied that the GOP leadership intends to follow through on their plan to attach immigration reform to the supplemental.

The supplemental includes funds in four main areas:

Defense Department: \$74.9 billion

- **\$42.5 billion** to fund combat and operations in Iraq and Afghanistan, as well as intelligence activities and an enhanced death benefit for the survivors of service members.
- **\$5.7 billion** for a new flexible account to build Iraq security forces.
- **\$5.3 billion** for "Army Modularity," a multi-year plan to restructure the Army's force.
- **\$5.4 billion** to the Army to refurbish or replace worn or damaged equipment.
- **\$3.3 billion** to add armor to convoy trucks and for other purposes.
- **\$1.3 billion** for a new flexible account to build Afghan security forces.
- **\$257 million** for drug interdiction in Afghanistan and Central Asia.
- **\$42 million** to construct a permanent detention facility at Guantánamo Bay, Cuba.

International Affairs: \$5.6 billion

- **\$780 million** for international peacekeeping activities in Sudan/Darfur, Cote d'Ivoire, Haiti, Burundi and Congo, including \$55 million for a Sudan War Crimes tribunal.
- **\$660 million** for State Department narcotics control and law enforcement programs.
- **\$658 million** for construction of U.S. embassy in Baghdad.
- **\$342 million** in humanitarian aid, including famine relief, for Sudan.
- **\$200 million** in aid to Palestinians.
- **\$200 million** in economic and military aid to Jordan.
- **\$200 million** for a "Global War on Terror Partners Fund."
- **\$150 million** in military aid to Pakistan.
- **\$60 million** in aid to Ukraine.

Tsunami Relief: \$950 million

- **\$700 million** to the State Department/USAID for relief and reconstruction activities.
- **\$226 million** to fund Defense Department relief operations.
- **\$23 million** to provide for expanded U.S. tsunami warning capabilities.

Intelligence, Homeland Security and Other Functions: \$600 million

- **\$250 million** to establish the new Office of the Director of National Intelligence, including construction of a new office, and to support information sharing.
- **\$161 million** for the Coast Guard, including funds to offset the costs of operations in the Iraq region, such as overhauling ships returning from combat theaters.
- **\$110 million** for efforts to deploy radiation detection equipment and train law enforcement officials in overseas ports to stop the spread of nuclear material.
- **\$80 million** for the FBI, half of which is for the bureau to expand a terrorist screening center. The other \$40 million for continued support of FBI operations in Iraq.

The supplemental bill will be considered by the full House Appropriations Committee in early March. A statement by Chairman Lewis indicates that he hopes to have the bill on the President's desk sometime in early April after they return from their Spring District work period.