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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Memorandum	Veterans' Issues - To: POTUS - From: Stacie Maass	3	07/23/2007	P5;
002	Memorandum	Implementation of Dole/Shalala Recommendations - To: POTUS - From: Stacie Maass	3	09/17/2007	P5;

COLLECTION TITLE:

Staff Secretary, White House Office of the

SERIES:

Von Der Heydt, Thomas (Tommy) - Bush Record Policy Memos

FOLDER TITLE:

Veterans: A Timeline (2001 - 2008) [2]

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



THE DIRECTOR

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

December 8, 2004

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4818 -- Consolidated Appropriations Act, 2005

Sponsors: Representative Young (R), Florida
Senator Stevens (R), Alaska

Last Day for Action

Saturday, December 18, 2004; however, your signature is recommended as soon as possible. Funding for the agencies and accounts covered by the enrolled bill is currently provided under Public Law 108-434, the Third Continuing Resolution, which will expire at midnight on Wednesday, December 8, 2004.

Purpose

H.R. 4818 provides FY 2005 appropriations for nine of the 13 regular appropriations bills. FY 2005 appropriations are included for: the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs; as well as International Assistance Programs; the Environmental Protection Agency; the Executive Office of the President; the National Aeronautics and Space Administration; the Corporation for National and Community Service; the Social Security Administration; and many other smaller agencies.

Agency Recommendations

Office of Management and Budget	Approval (Signing Statement attached)
Other affected departments and agencies	Approval (assumed)

Summary

H.R. 4818 provides \$388.7 billion in discretionary budget authority, \$4.5 billion more than FY 2004 enacted, and \$1.2 billion over your FY 2005 Budget request for programs funded in this bill. This is consistent with the Administration's agreement with the Congress that the overall total for all of the appropriations bills remain within the aggregate funding level of \$819.4 billion, in addition to \$2.5 billion in advance appropriations for Project BioShield. It also is consistent with the FY 2005 Budget Resolution. Overall discretionary spending in FY 2005 increases by about four percent and non-defense, non-homeland security discretionary spending increases less than one percent.

To remain within these limits, several reductions are included in the bill, including an across-the-board reduction of 0.80 percent applied to all spending not provided by the Departments of Defense and Homeland Security bills, and additional across-the-board reductions that apply to

specific titles or programs. Amounts referenced below for individual programs do not reflect these across-the-board reductions.

The bill includes additional adjustments to meet the spending constraints, including: a \$300 million rescission in non-war, non-emergency defense funds; \$272 million in additional savings from an increase in projected FY 2004 receipts for the Department of Justice's Crime Victims Fund; and \$1.1 billion in savings from a shift in the Department of Housing and Urban Development's public housing authority funding into FY 2006.

As in the past, funding designated as an emergency requirement by you and the Congress is not subject to budget limits. The bill provides a total of \$400 million in emergency spending for the Low-Income Home Energy Assistance Program (LIHEAP) (\$300 million), the African Union security force in Darfur (\$93 million), and the construction of an irradiation facility in the District of Columbia (\$7 million). You transmitted a budget amendment for the LIHEAP funding on November 19, 2004. We recommend your concurrence with the other two emergency designations in a separate memorandum.

On November 20, 2004, the Congress reached agreement on the H.R. 4818 conference report, which passed the House by a vote of 344-51 and the Senate by a vote of 65-30. The Senate then passed H. Con. Res. 528, by unanimous consent, to make several technical corrections to H.R. 4818. One of the corrections is to delete a controversial provision that would have given Appropriations Committee staff access to Internal Revenue Service tax processing facilities and returns. The House of Representatives passed H. Con. Res. 528 by a vote of 381-0 on December 6, 2004. The bill funds many of your key initiatives, which are highlighted below:

- Millennium Challenge Account: \$1.5 billion, \$0.5 billion above FY 2004 enacted and \$1.0 billion below your request.
- National Aeronautics and Space Administration: \$16.2 billion, the same as your request and supports your Vision for Space Exploration; however, the bill includes more than \$400 million in unrequested earmarked spending.
- Yucca Mountain: \$577 million, the same level as FY 2004 enacted, and \$303 million less than your FY 2005 request. It does not include the Budget's proposal to dedicate fees now paid by utilities to offset appropriations for this program.
- Global AIDS: \$2.8 billion, fully funding your Emergency Plan for AIDS relief to combat HIV/AIDS, malaria, and tuberculosis. The Foreign Operations bill provides \$2.2 billion, and the Labor, Health and Human Services, and Education bill provides an additional \$605 million.
- National Endowment for Democracy: \$60 million, \$20 million above FY 2004, and \$20 million below your proposal to double funding for this program.
- Jobs for the 21st Century: \$250 million for your Community College Initiative in the Department of Labor, the same as your request. Of the total, \$125 million is provided through direct appropriations and \$125 million is to be allocated from the Dislocated Workers Program.

\$235 million for other Jobs for the 21st Century initiatives in the Department of Education, \$62 million more than FY 2004 enacted and \$271 million less than your request, as follows:

- *Math and Science Initiative*: \$180 million, \$39 million above FY 2004 enacted and \$89 million below your request;
- *Striving Readers Initiative*: \$25 million, \$75 million below your request for this new initiative;
- *Advanced Placement*: \$30 million, \$6 million above FY 2004 enacted and \$22 million below your request; and
- *Adjunct Teachers and State Scholars*: no funding, \$40 million and \$45 million below your requests, respectively, for these new initiatives.
- Access to Recovery: \$100 million for your Access to Recovery Initiative, approximately equal to FY 2004 enacted, and \$100 million below your request.
- Prisoner Re-Entry Initiative: \$30 million for your Prisoner Re-Entry Initiative, \$45 million below your request.
- USA Freedom Corps Initiatives: \$1.5 billion, \$11 million below FY 2004 enacted, and \$282 million below your FY 2005 request. Funding for specific components of this initiative are as follows:
 - *Corporation for National and Community Service*: \$928 million, approximately the same level as FY 2004 enacted, and \$83 million below your request.
 - *Peace Corps*: \$320 million, \$12 million more than FY 2004 enacted, and \$81 million below your FY 2005 request.
 - *Citizen Corps*: \$2.5 million to the Office of Justice Programs (Neighborhood Watch and Volunteers in Police Service) associated with the Citizen Corps Initiative, the same as FY 2004 enacted, and \$14 million below your FY 2005 request.
 - *Mentoring of Middle School Students*: \$50 million, the same as FY 2004 enacted, and \$50 million below your FY 2005 request.
 - *Teaching Traditional American History*: \$120 million, \$1 million more than FY 2004 enacted and your FY 2005 request.
- Mentoring Children of Prisoners: \$50 million, the same as FY 2004 enacted and your FY 2005 request.
- Hydrogen Fuel Initiative: \$228 million, equal to your request with allocations among programs largely in alignment with your request, although some programs remain heavily earmarked.
- Compassion Capital Fund: \$55 million, \$7 million more than FY 2004 enacted and \$45 million below your FY 2005 request.
- Marriage and Healthy Family Development: \$118 million, \$30 million more than FY 2004 enacted and \$155 million below your request. These funding totals exclude the provisions pending in your Temporary Assistance for Needy Families reauthorization proposal.

In negotiations with the Congress, the Administration fought successfully to exclude several provisions from the final version of the bill that would have resulted in a recommendation by your senior advisors to veto the bill, as noted below:

- Competitive Sourcing: Both the House and the Senate proposed government-wide provisions that would have weakened your initiative on opening commercial (non-governmental)

functions performed by Federal employees to competition with the private sector. Negotiations with the Congress successfully prevented any significant undermining of the initiative.

- Cuba Sanctions: Both the House and Senate versions of several of the appropriations bills included in the omnibus contained provisions that would have weakened current sanctions against Cuba. These were removed from the final version of the bill.
- Mexico-domiciled Trucks: The House supported a provision that would have impeded the implementation of a March 2002 proposed rule granting foreign carriers a two-year grace period before requiring manufacturing certification of commercial vehicles. Negotiations avoided the inclusion of stronger language that could have prevented the Administration from fulfilling its NAFTA obligations, and would have resulted in a veto recommendation by senior advisors.
- Family Planning: Senate provisions that would have infringed upon your ability to interpret the Kemp-Kasten provision in current law and would have overturned the Administration's family planning policy (commonly known as the "Mexico City" policy) were struck from the final version of the bill.
- Federal Employees Health Benefits Program (FEHBP)/Abortion: The Senate version of the Transportation-Treasury Appropriations bill did not include the prohibition in current law against the use of Federal funds for abortions in the FEHBP, except in cases where the life of the mother is endangered or the pregnancy is the result of an act of rape or incest. The provision was included in the final version.
- Overtime Regulations: Both the House and the Senate included a provision designed to restrict the Department of Labor's ability to enforce the final overtime security rule, which went into effect on August 23, 2004. Neither provision is in the enrolled bill.

AGRICULTURE APPROPRIATIONS

The enrolled bill provides \$17.1 billion in discretionary budget authority, before the application of the 0.8 percent across-the-board reduction, \$558 million less than FY 2004 enacted, and \$658 million more than your FY 2005 request.

Department of Agriculture (USDA)

Biosurveillance. The enrolled bill provides \$7 million of the \$15 million you requested for biosurveillance, which will assist in the Nation's ability to identify, characterize, and defend against potential bioterrorist attacks rapidly.

Food and Agriculture Defense. The enrolled bill includes \$384 million for activities at USDA and the Food and Drug Administration to protect the food and agriculture systems from contamination by terrorists, an increase of \$188 million above FY 2004 enacted and \$179 million below your request. Within that funding, the Congress provided \$122 million of the \$178 million requested to complete the state-of-the-art animal research and diagnostic facility in Ames, Iowa. Additionally, increased funding is included to expand a national laboratory network to allow for the rapid identification of contaminated food, for critical research to prevent and mitigate foodborne attacks, and for animal and plant health surveillance systems.

Supplemental Nutrition Program for Women, Infants, and Children (WIC). WIC is funded at \$5.3 billion, including a \$125 million reserve, similar to the reserve amount available in FY 2004. This is \$190 million above your amended FY 2005 request, and reflects recent increases in food costs, particularly dairy.

Wetlands Reserve Program (WRP). The bill significantly reduces the number of acres of environmentally-valuable land that USDA can enroll into WRP in FY 2005. The FY 2005 Budget assumed that the Department would enroll 200,000 acres of wetlands, while the bill limits the program to enrolling only 154,500 acres this year. The WRP is one of USDA's primary wetlands conservation programs and is a major contributor to your goal to restore, enhance, and protect three million acres of wetlands over five years.

Department of Health and Human Services

Food and Drug Administration (FDA). The enrolled bill provides a total program level of \$1.8 billion for FDA. This level includes \$152 million to improve the security of the food supply from intentional contamination, which is \$36 million more than FY 2004 enacted and \$29 million less than your request. The bill also provides your request of \$217 million to support FDA's medical device review.

Competitive Sourcing

The enrolled bill prohibits the use of funds in the Department of Agriculture to conduct a public-private competition involving rural development or farm loan programs. The Administration objected to this restriction, which prevents improving the efficiency and cost-effectiveness of these programs through the reasoned use of competition, and will work with the Congress to remove this provision in the future.

Other Issues

The enrolled bill does not include several provisions that the Administration objected to or had concerns about in earlier versions of the bill, including a provision that would have allowed farmers and medical suppliers to obtain U.S. licenses to sell their products in Cuba, and a provision that would have impeded FDA's ability to verify that imported drugs are FDA approved. The enrolled bill also does not include a provision supported by the Administration to make USDA's Country of Origin Labeling program voluntary.

COMMERCE/JUSTICE/STATE APPROPRIATIONS

The bill provides \$40.0 billion in funding, before the application of the 0.8 percent across-the-board reduction and an additional 0.54 percent rescission applied to this title. This is \$1.3 billion above FY 2004 enacted and \$0.6 billion above your request.

Commerce Department

H.R. 4818 provides a total of \$6.4 billion for the Department of Commerce, \$0.6 billion above FY 2004 enacted and \$0.7 billion above your request. The bill supports your funding request for key agencies such as Patent Trademark Office (PTO), the National Institute of Standards and

Technology, and the International Trade Administration. The bill funds the Bureau of the Census at \$755 million, \$74 million below your request.

The enrolled bill adds \$0.6 billion in unrequested funding for the National Oceanic and Atmospheric Administration (NOAA). Significant amounts were added above the request to support recommendations of the new Ocean Commission, including funding for ocean health, Sea Grant and education, ocean exploration, marine mammal research, marine debris removal, and infrastructure.

The bill also adds \$70 million in unrequested funding for the Manufacturing Extension Partnership and renames it the Hollings Manufacturing Partnership Program. The bill partially supported the proposed termination of the Advanced Technology Program by eliminating new grant awards, and \$142 million in unrequested funding was added to continue prior-year awards.

Justice Department

The enrolled bill provides a total of \$19.1 billion for the Department of Justice, \$0.2 billion below FY 2004 and \$0.3 billion above your request.

Federal Bureau of Investigation (FBI). The FBI is funded at \$5.2 billion, \$0.6 billion above FY 2004 and \$0.1 billion above your request. This funding will provide enhanced training, information technology, and staff (1,194 new positions) to improve intelligence and counterterrorism capabilities, while continuing to fight white-collar and violent crime. The \$29 million that you requested for the Terrorist Screening Center is included in this funding.

Drug Enforcement. The enrolled bill provides \$1.65 billion for the Drug Enforcement Administration, \$67 million above FY 2004 and slightly below your request.

State and Local Assistance. The bill provides \$3 billion for assistance to State and local law enforcement for crime fighting initiatives, \$906 million above your request and \$132 million below FY 2004 enacted. Of this amount, \$634 million will be used for the Edward Byrne Justice Assistance Grants program, \$384 million for juvenile delinquency prevention and accountability programs, \$387 million for violence against women prevention and prosecution programs, \$110 million to eliminate DNA analysis backlogs, \$139 million for law enforcement technologies, and \$305 million to reimburse States for criminal alien detention costs.

Detention. The enrolled bill provides \$886 million for the Office of Federal Detention Trustees, \$58 million below FY 2004 enacted and \$203 million below your request.

Prisoner Re-Entry Initiative. The Prisoner Re-Entry Initiative received \$10 million in funding through the Justice portion of this title, \$5 million below your request.

Citizen Corps. The Neighborhood Watch and Volunteers in Police Service programs, associated with the Citizen Corps Initiative, received a total of \$2.5 million, equal to FY 2004 enacted, and \$13.5 million below your request.

Project Safe Neighborhoods. The enrolled bill contains \$225 million for the Project Safe Neighborhoods Initiative, a comprehensive initiative designed to reduce gun crime in communities across the country. This is \$26 million less than FY 2004 enacted and \$132 million below your request of \$357 million.

State Department and the Broadcasting Board of Governors

The enrolled bill provides \$8.8 billion for the State Department and Broadcasting Board of Governors. This is \$0.7 billion above FY 2004, excluding supplemental appropriations, \$0.2 billion below your request. Major program funding includes:

- \$1.6 billion to continue worldwide security improvements and replacement of vulnerable embassies;
- \$600 million for international broadcasting, including funds for broadcasting to the Middle East;
- \$60 million for the National Endowment for Democracy;
- \$869 million for Capital Security Cost Sharing and language similar to your request to establish a 24-year, \$17.5 billion cost-shared program to replace insecure embassies throughout the world;
- Authorization, as requested, of new consular fees providing an additional \$100 million annually to institute security improvements in visas and passports; and
- Language authorizing a \$1.2 billion loan to refurbish the United Nations building in New York City, as well as \$6 million to cover the budgetary cost of the loan.

The Judicial Branch

The Judiciary is funded at \$5.2 billion, \$0.3 billion above FY 2004 enacted, and \$0.2 billion below the Judicial Branch's recommendation, which was included in your FY 2005 Budget request.

Other Agencies

Securities and Exchange Commission (SEC). SEC is funded at \$913 million, \$102 million above FY 2004 enacted and slightly above your request.

Small Business Administration (SBA). The enrolled bill provides \$619 million for SBA and supports a record 7(a) loan program level, with zero subsidy for the first time, as you proposed, to help small businesses access capital.

National Intellectual Property and Law Enforcement Coordinating Council (NIPLECC). The bill provides, for the first time, a \$2 million direct appropriation to NIPLECC, an interagency council that coordinates intellectual property (IP) law enforcement among Federal and foreign entities. The bill establishes a coordinator for NIPLECC and directs it to develop a strategy for international IP protection and enforcement, and to develop an annual budget request.

DISTRICT OF COLUMBIA APPROPRIATIONS

The 0.8 percent across-the-board reduction in H.R. 4818 also applies to the District of Columbia Appropriations Act of FY 2005, which was signed into law on October 18, 2004.

ENERGY/WATER APPROPRIATIONS

The enrolled bill provides \$28.8 billion in discretionary budget authority, before the application of the 0.8 percent across-the-board reduction. This is \$1.5 billion more than FY 2004 enacted and \$1.8 billion more than your FY 2005 request.

Department of Energy

The enrolled bill provides \$22.8 billion, which is \$0.9 billion more than your request. Although the bill funds the Yucca Mountain repository at the FY 2004 level of \$577 million, \$303 million below your request, it does not include your proposal to reclassify nuclear waste fees to offset this spending. The National Nuclear Security Administration (NNSA) received \$9.1 billion, of which \$300 million was transferred from non-war, non-emergency funding at the Department of Defense. This level is an increase of \$0.4 billion over FY 2004 enacted, and includes \$6.5 billion (\$42 million less than your request) for weapons activities and \$1.4 billion (\$72 million more than your request) for nonproliferation activities. No funding was provided for the Robust Nuclear Earth Penetrator, a research effort to develop the capability to target and destroy deep, heavily fortified military position. This reflects a \$7 million reduction from FY 2004 enacted and is \$28 million less than your request.

Section 8063 of the Department of Defense Appropriations Act, 2005 that you signed on August 5, 2004 prohibited payment of the salary of any official who transferred budgetary resources from the Department of Defense (DOD) to an agency funded outside that Act (such as the Department of Energy), except pursuant to an "express authorization of Congress." H.R. 4818 includes a provision under the heading "National Nuclear Security Administration, Weapons Activities" that provides for the transfer of \$300 million from DOD to the NNSA, an element of the Department of Energy. Your signing statement construes the provision for the \$300 million transfer in H.R. 4818 as satisfying the requirement in the previously-enacted Defense Appropriations Act for an "express authorization of Congress" for the transfer.

Corps of Engineers

The enrolled bill provides \$4.7 billion for the Corps of Engineers, \$0.7 billion more than your request. Most of the increase is allocated for unrequested construction projects.

Department of the Interior -- Bureau of Reclamation

H.R. 4818 provides \$974 million for the Bureau of Reclamation and the Central Utah Project, \$82 million above your request. The additional funds are primarily for construction of unrequested new and ongoing rural water projects.

Independent Agencies

Tennessee Valley Authority (TVA). The enrolled bill includes language that overhauls the structure of TVA's Board of Directors, changing it from the current three-member full-time board to a board with nine part-time members, all of whom would be Presidential appointees. The new board would appoint a new chairman, as well as a Chief Executive Officer for TVA. This provision is to take effect as soon as the six new members are confirmed or by May 1, 2005, whichever comes first.

Nuclear Regulatory Commission (NRC). NRC is funded at \$130 million on a net basis, equal to your request.

Regional Commissions. The enrolled bill provides \$71 million for the Denali Commission, which is \$11 million above FY 2004 enacted, and \$65 million more than your request. The Appalachian Regional Commission is funded at \$66 million, the same as FY 2004 enacted and your FY 2005 request. The enrolled bill includes \$6 million for the Delta Regional Authority, which is \$1 million more than FY 2004 enacted and \$4 million more than your request.

FOREIGN OPERATIONS APPROPRIATIONS

The enrolled bill provides \$19.8 billion in funding, before the application of the 0.8 percent across-the-board reduction. This is approximately \$2.3 billion more than FY 2004 enacted and \$1.5 billion less than your FY 2005 request. In addition, \$93 million in emergency funding is provided to support the African Union security force in Darfur by providing emergency aid to the displaced civilian population and assuring transportation, logistics, equipment, and support for the African Union security forces and monitors. We are recommending your concurrence with this emergency designation in a separate memorandum.

The bill also provides funding for several Administration priorities, including:

Millennium Challenge Account (MCA). MCA is funded at \$1.5 billion, \$0.5 billion above FY 2004 enacted and \$1.0 billion below your request.

Global AIDS. The enrolled bill provides a total of \$2.2 billion in global assistance to combat HIV/AIDS, tuberculosis, and malaria, \$573 million more than FY 2004 enacted and \$13 million above your request. The Labor, Health and Human Services, and Education appropriations bill provides \$605 million in global assistance bringing the total funding to \$2.8 billion, slightly above your request and the highest level in history.

Anti-Trafficking Initiative. The enrolled bill directs \$12.5 million of FY 2004 United Nations Population Fund (UNFPA) funds to be used for family planning assistance, leaving \$12.5 million available for your Anti-Trafficking Initiative. The bill also includes a \$12.5 million increase to your request for anti-trafficking activities funded through the Economic Support Fund account. These funds can be used for your Anti-Trafficking Initiative, bringing the total amount available for the initiative to \$50 million.

Global Peacekeeping Operations Initiative. The enrolled bill allows a one-time \$80 million transfer from the Department of Defense to the Department of State to make available additional funding to support the Administration's initiative.

Libya/Export-Import Bank. The bill includes language your Administration supported allowing the Export-Import Bank to finance projects in Libya if you determine that to do so is important to the national security interests of the United States.

Funding for other major international assistance programs includes:

- Andean Counterdrug Initiative (ACI). ACI is funded at \$731 million, the same as your request.
- International Narcotics Control (INC). The enrolled bill provides \$329 million for INC, \$89 million above FY 2004 enacted and \$30 million below your request. The bill fully funds your request for Mexico and Afghanistan.
- Peace Corps. The enrolled bill provides \$320 million, which is \$12 million above FY 2004 and \$81 million below your request.
- Sudan. The bill provides \$403 million in humanitarian and refugee assistance for Sudan, including \$93 million as an emergency appropriation for Darfur.
- UNFPA. The enrolled bill provides \$441 million for bilateral international family planning programs, and \$25 million for UNFPA. The enrolled bill retains current law on restrictions and prohibitions on assistance. In addition, the bill includes language that requires UNFPA funds to be used for bilateral family planning programs if it is not possible to provide the funds to UNFPA.

INTERIOR APPROPRIATIONS

The enrolled bill provides \$20.2 billion in discretionary budget authority, before the application of the 0.8 percent across-the-board reduction and an additional 0.594 percent rescission applied to programs funded in the Interior Appropriations bill. This is \$0.2 billion higher than FY 2004 enacted and your FY 2005 request. The bill addresses several of your FY 2005 requests for key initiatives, including the Coal Research initiative (\$277 million, \$170 million less than your request) and the Weatherization initiative (\$230 million, \$61 million less than your request).

The enrolled bill provides \$11 million, \$1 million above FY 2004 enacted, and \$19 million below your request, for the "We the People" initiative, designed to promote understanding of the ideas and events that have shaped our Nation. The bill provides none of the \$10 million requested for the Preserve America initiative, which would have helped States, Tribes, and local communities demonstrate sustainable uses of their historic and cultural sites and the economic and educational opportunities related to heritage tourism.

The Congress provided \$681 million of the \$900 million that you requested for Federal land acquisition and other programs you proposed for funding out of the Land and Water Conservation Fund. In addition, \$459 million of the amount provided for those programs will actually come from the Land and Water Conservation Fund, with the remaining \$222 million funded out of general revenue.

Department of the Interior (DOI)

The enrolled bill provides \$9.7 billion in funding, slightly above FY 2004 enacted, and \$0.2 billion below your request. The bill includes \$100 million in supplemental funds as provided for in the FY 2005 Budget Resolution for fighting fire on public lands in FY 2005, if needed. The enrolled bill provides the request for National Park Service operations (\$1.7 billion), including a

reduction of about \$30 million in the amount for maintenance below the request and a corresponding increase in the amount for other operations.

Bureau of Land Management (BLM). Section 120 of this title of the omnibus overturns a recent BLM rulemaking and returns mining claim and location fees to their previous levels until BLM develops a "nationwide tracking system" for hardrock mining plans of operation and requires reports to the Congress on the time it takes to approve plans. If BLM fails to meet the requirements of Section 120 by September 2005, the mining claim fees will revert to their previous levels (from \$125/claim to \$100/claim), increasing the amount of program administration costs that will have to be made up from the Treasury (approximately \$10 million). The bill includes \$100 million as provided for in the FY 2005 Budget Resolution for fighting fires on BLM lands in FY 2005, as needed.

Indian Health Service/Department of Health and Human Services (HHS)

The enrolled bill provides an overall funding level of \$3.0 billion for the Indian Health Service at HHS, \$0.1 billion over FY 2004 and just above your request. The bill provides increases above the request level for pay and staffing at hospitals and clinics, and does not fully fund requested increases for contract health services and provision of water, sewer, and solid waste facilities to homes.

Forest Service/Department of Agriculture

The enrolled bill provides an overall funding level of \$4.7 billion for the Forest Service, \$0.2 billion above non-emergency FY 2004 funding and \$0.5 billion above the request. This level includes \$400 million as provided for in the FY 2005 Budget Resolution for fighting fires on national forest lands in FY 2005, if needed.

Department of Energy

The enrolled bill provides \$1.6 billion in discretionary budget authority for the Department of Energy under this title. This is \$0.2 billion less than FY 2004 enacted and \$0.1 billion less than your FY 2005 request.

Clean Coal Research Initiative. \$277 million, \$170 million less than your request for this initiative, providing only \$18 million of the \$237 million requested for the FutureGen initiative. The bill continues to set aside the remaining \$237 million in unobligated Clean Coal Technology funds and it is therefore available for future year use, including potentially for the FutureGen or similar initiatives.

Weatherization Assistance. \$230 million, \$64 million less than your request.

National Endowment for the Arts (NEA)/National Endowment for the Humanities (NEH)

The enrolled bill provides funding for NEA at \$123 million, including \$2 million for the new American Masterpieces initiative (\$13 million below your request). NEH received \$140 million, \$5 million above FY 2004 enacted and \$22 million below your request.

Competitive Sourcing

The bill limits the funds in the Department of the Interior appropriations bill that may be spent on competitive sourcing studies by the Forest Service or the Department of the Interior. The Administration objected to this restriction, which prevents improving the efficiency and cost-effectiveness of these programs through the reasoned use of competition, and will work with the Congress to remove this provision in the future.

LABOR/HHS/EDUCATION APPROPRIATIONS

The enrolled bill provides \$143.4 billion in discretionary budget authority and \$300 million in emergency funding, before the application of the 0.8 percent across-the-board reduction. This is \$2.4 billion more than FY 2004 enacted and \$1.4 billion more than your FY 2005 request.

Department of Labor (DOL)

H.R. 4818 provides \$12.0 billion in discretionary budget authority for DOL, \$300 million more than FY 2004 enacted and \$153 million more than your FY 2005 request. Full or partial funding was provided for several Administration priorities:

Community College Initiative (Jobs for the 21st Century). The enrolled bill includes \$250 million, the same as your request, for this initiative to train workers for growing industries.

Prisoner Re-Entry Initiative. This title of the bill provides \$20 million, \$15 million below your FY 2005 request, to support ex-offenders in making a successful transition to community life and long-term employment.

Department of Health and Human Services (HHS)

The enrolled bill provides \$65.1 billion in discretionary budget authority and \$300 million in emergency funding (for the Low Income Home Energy Assistance Program discussed below), before the application of the 0.80 percent across-the-board reduction. This is \$0.3 billion more than FY 2004 enacted and \$1.6 billion more than your FY 2005 request.

The bill includes 1,476 individual project earmarks that total \$645 million added by the Congress. These earmarks are non-competitive awards to associations, universities, community groups, and other entities that were not proposed in your request. They vary in size and purpose and include such items as a \$25,000 payment to a local organization to buy fitness equipment and a \$20 million payment to West Virginia University to construct a research facility.

The bill provides your requested funding for several key health initiatives, including \$100 million to address pandemic influenza and \$50 million to mentor children of prisoners.

Global AIDS. The enrolled bill includes \$605 million for global HIV/AIDS activities within this title, slightly above your FY 2005 request. This includes \$100 million for the Global Fund to Fight AIDS, tuberculosis, and malaria, \$355 million for global HIV/AIDS research, and \$148 million for bilateral prevention activities at the Centers for Disease Control and Prevention.

National Institutes of Health (NIH). NIH is funded at \$28.6 billion, \$802 million more than FY 2004 enacted and \$73 million more than your FY 2005 request. This total includes your request for the HIV Vaccine Research and Development Center announced at the G8 Summit in June 2004 and the two stem cell research initiatives: the National Stem Cell Bank and the Centers of Excellence in Translational Stem Cell Research. The enrolled bill also provides \$1.7 billion for Biodefense research and development activities, \$73 million above FY 2004 enacted and equal to your request.

Pandemic Influenza. The bill provides \$100 million for pandemic influenza preparedness activities, equal to your request and \$50 million above FY 2004 enacted. It also includes new language permitting the use of these funds for the purchase of influenza vaccine, which could assist with efforts to acquire additional doses of annual vaccine.

Access to Recovery. The bill provides \$100 million for your Access to Recovery initiative, approximately equal to FY 2004 enacted and \$100 million below your request.

Ryan White. The enrolled bill includes \$2.1 billion for the Ryan White Program, \$45 million above FY 2004 enacted and \$10 million above your FY 2005 request. However, the bill does not contain language allowing AIDS drugs assistance funds to be targeted to States that have drug treatment waiting lists, complicating efforts to continue in FY 2005 the commitment you made in June 2004. The Administration will work with HHS directly to continue this commitment in FY 2005.

Health Centers Initiative. The bill includes \$1.7 billion, \$131 million above FY 2004 enacted and \$88 million less than your FY 2005 request.

Low Income Home Energy Assistance Program (LIHEAP). The bill provides \$1.9 billion in base funding, and \$300 million in emergency funding, for a total of \$2.2 billion, consistent with the budget amendment transmitted on November 19, 2004. The total LIHEAP funding in the enrolled bill is \$311 million more than FY 2004 enacted.

Marriage and Healthy Family Development. The enrolled bill includes \$118 million, \$30 million above FY 2004 enacted, and \$155 million below your request. It provides \$118 million for your Abstinence/Responsible Choices initiative, including \$105 million for Community-Based Abstinence Education Grants and evaluations. This is \$30 million above FY 2004 enacted, and \$82 million below your request. The bill did not include funding for your Responsible Fatherhood and Marriage Initiative, for which you requested \$50 million.

Health Information Technology (IT). The enrolled bill provides \$50 million for Health IT demonstration grants, \$50 million below your FY 2005 request and the same level as FY 2004 enacted. This funding is for Agency for Healthcare Research and Quality grants, the same level as FY 2004 enacted. No funds were provided in the Office of the Secretary for new grants to demonstrate regional health data exchange and to build a national Health IT network.

Biosurveillance Initiative/Human Health Surveillance. The bill provides \$80 million for human health surveillance as part of your new Biosurveillance Initiative. This is \$50 million less than your FY 2005 request, and an increase of \$62 million over FY 2004 enacted.

Strategic National Stockpile. The bill provides \$400 million, equal to FY 2004 enacted, and effectively \$70 million less than your FY 2005 request. The bill fails to provide the flexible authority

you requested to increase this amount by up to \$70 million for the purchase of antibiotics to treat anthrax.

Abortion Provision. The enrolled bill includes language added by the House, and supported by your Administration, to ensure that health care providers are not discriminated against because they do not provide, pay for, or cover abortions.

Compassion Capital Fund. The bill provides \$55 million in grants to intermediary organizations that assist faith-based and community organizations, an increase of \$7 million over FY 2004 and \$45 million less than your request.

Department of Education

H.R. 4818 provides \$57.0 billion for the Department of Education, \$1.4 billion above FY 2004 enacted, and \$0.3 million below your FY 2005 request. Funding for major education programs includes:

- \$12.8 billion for Title I Grants to Local Educational Agencies, \$0.5 billion more than FY 2004 enacted, and \$0.5 billion less than your FY 2005 request.
- \$10.7 billion for Individuals with Disabilities Education Act (IDEA) Special Education Grants to States, \$607 million more than FY 2004 enacted and \$393 million less than your FY 2005 request.
- \$12.5 billion for Pell Grants, \$458 million more than FY 2004 enacted and \$823 million less than your FY 2005 request. The maximum award is \$4,050, the same as the requested level and the amount provided in the past two years. The bill does not include a provision that would have prohibited the Department of Education from using the latest State tax data when calculating Pell Grant eligibility. Assuming use of the latest published State tax tables, the final bill underfunds Pell Grant program costs by \$515 million after the 0.8 percent reduction. The Pell Grant shortfall, as a result, will increase to \$4 billion.

While the bill supports several of your priority initiatives, including Teaching Traditional American History, it does not provide funding at the requested level for several Administration priorities such as Mentoring of Middle School Students (\$50 million provided, \$50 million below your request), school drug testing (\$10 million provided, \$15 million below your request), and the Jobs for the 21st Century programs discussed earlier.

Corporation for National and Community Service (CNCS)

The enrolled bill provides \$356 million for programs in this title for CNCS. This is \$3 million more than FY 2004 enacted and \$18 million less than your FY 2005 request. The bill provides \$218 million for the National Senior Service Corps programs, \$3 million more than FY 2004 enacted and \$7 million below your FY 2005 request.

Social Security Administration (SSA)

The enrolled bill provides \$7.5 billion in net discretionary budget authority, which amounts to \$8.8 billion in gross budget authority for SSA's administrative expenses. This is \$356 million over

FY 2004 enacted, and \$65 million below your FY 2005 request. This reduction may result in over 100,000 fewer disability claims being processed. In addition, the bill does not include \$100 million for the Medicare Reform Contingency Fund.

LEGISLATIVE BRANCH APPROPRIATIONS

The enrolled bill provides \$3.6 billion in discretionary budget authority, before the 0.80 percent across-the-board rescission. This is \$45 million more than FY 2004 enacted.

TRANSPORTATION/TREASURY APPROPRIATIONS

The enrolled bill provides \$26.5 billion in discretionary budget authority and \$52.8 billion in obligation limitations, without the 0.8 percent across-the-board reduction. This is \$2.1 billion below FY 2004 enacted and \$0.5 billion above your request.

Department of Transportation (DOT)

The enrolled bill provides \$58.7 billion in discretionary budget resources for DOT, \$996 million above FY 2004 enacted and \$1.2 billion above your FY 2005 request.

Highway and Transit Funding. The enrolled bill provides \$34.7 billion for the Federal-aid highway program, \$1.1 billion more than your request. The bill also provides \$741 million for the Federal Highway Administration's Emergency Relief program to fully fund the current backlog of emergency projects from previous years. The bill includes \$7.7 billion for the Federal Transit Administration, \$442 million more than your request.

Aviation. The enrolled bill provides \$14.2 billion in budgetary resources for the Federal Aviation Administration (FAA), \$283 million above FY 2004 enacted and \$182 million above your request. The bill provides \$9.5 million for hiring and training additional air traffic controllers and extends current provisions of war risk insurance, including current premium caps, for one additional year.

Amtrak. The bill provides \$1.2 billion in Federal assistance for Amtrak, \$0.3 billion over your request. The bill does not contain the reforms proposed in your Budget, although it does continue provisions from the FY 2004 Act that imposed stricter financial reporting requirements, and directs DOT to undertake a valuation of all of Amtrak's capital assets. It also requires Amtrak to begin repaying its \$100 million loan from DOT.

Department of the Treasury

The enrolled bill provides \$11.2 billion, \$130 million below the FY 2004 enacted level and \$362 million below your request. The Congress did not provide the requested level of funding for the Internal Revenue Service (IRS).

Civilian Pay and Human Capital Performance Fund

The enrolled bill provides a 3.5 percent pay increase for civilian employees. Your FY 2005 Budget request assumed a 1.5 percent pay raise; therefore, agencies will need to absorb approximately \$2 billion in additional costs.

U.S. Postal Service

The enrolled bill provides \$507 million for the U.S. Postal Service's emergency preparedness efforts, of which \$7 million is designated emergency funding to construct an irradiation facility in the District of Columbia. Construction of a permanent facility would end the Postal Service's reliance on the current temporary, expensive, and time consuming irradiation process. We are recommending your concurrence with this emergency designation in a separate memorandum.

Executive Office of the President (EXOP)

H.R. 4818 provides \$285 million in discretionary budget authority for EXOP. This is \$3 million less than FY 2004 enacted and \$7 million less than your FY 2005 request. The largest reductions were in the White House Office (\$2 million less than your request), the Office of Policy Development (\$1 million less than your request), and the Office of Management and Budget (\$2 million less than your request after adjusting for an enterprise services program transfer).

Office of National Drug Control Policy. The bill provides \$484 million for drug control programs (approximately the same as your request), including \$228 million for High Intensity Drug Trafficking Areas Program (\$20 million more than your request), \$120 million for the National Youth Anti-Drug Media Campaign (\$25 million less than your request), and \$80 million for the Drug-Free Communities Program (equal to your request).

Election Assistance Commission (EAC)

The enrolled bill provides \$14 million for EAC, \$6 million below your request and \$13 million above FY 2004 enacted. This amount will allow the Commission to issue voluntary standards for electronic voting equipment to states and territories.

Office of Personnel Management (OPM)

The enrolled bill continues current law provisions regarding the use of Federal funds for abortions under the Federal Employees Health Benefits Program.

General Services Administration (GSA)

H.R. 4818 provides \$155 million in discretionary budget authority for GSA, \$288 million below FY 2004 enacted and \$63 million below your FY 2005 request.

The enrolled bill provides \$3 million for E-Government, the same as FY 2004 enacted and \$2 million below your request. The enrolled bill does not provide the authority you requested to use \$40 million in surplus General Supply Fund revenues for E-Government.

Continued Dumping and Subsidy Offset Act of 2000

The enrolled bill does not include your proposed repeal of the Continued Dumping and Subsidy Offset Act of 2000 (the so-called "Byrd Amendment") that provides payments to private entities from antidumping and countervailing duty collections. The Byrd Amendment has been found by the World Trade Organization (WTO) to be an impermissible trade remedy and provides unwarranted benefit to domestic producers by giving them access to antidumping and countervailing duties that would otherwise go to general revenues. This repeal could provide savings to the taxpayer of over \$4.3 billion over the next 10 years. The enrolled bill, in contrast, contains language directing that negotiations be held within the WTO to recognize the right of countries to distribute such duties.

Competitive Sourcing

The enrolled bill excludes provisions that would have undermined the Administration's efforts to reduce costs and improve performance through the use of public-private competition. These provisions garnered a veto threat from your senior advisors, but were not included in the final version. As a result, agencies will be able to continue to pursue the best value for the taxpayer.

Privacy Officers

Section 522 requires agencies to establish a position of Chief Privacy Officer and conduct certain specific activities. Your Administration is reviewing this provision to determine if it is properly read to apply government-wide or only to specific agencies. The new Privacy Officer position and many of its duties unnecessarily duplicate existing requirements of law now assigned to agency Chief Information Officers. It would also impose burdensome new reporting requirements, unnecessarily encumber Federal rulemaking, and require each agency Inspector General to contract with external third parties for privacy evaluations.

VETERANS AFFAIRS/HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS

The enrolled bill provides \$93.7 billion in discretionary budget authority, before the 0.8 percent across-the-board reduction, \$3.7 billion above FY 2004 enacted and \$1.9 billion above your FY 2005 request. The bill supports your priorities, including:

National Aeronautics and Space Administration (NASA). NASA is funded at \$16.2 billion, \$822 million over FY 2004 enacted, and \$44 million below your request. The bill gives the Administration flexibility to move funding between NASA programs and provides sufficient funding to support your space exploration initiative, return of the Space Shuttle to flight, and the International Space Station; and continues support of priority space science, Earth science, and aeronautics programs.

Corporation for National and Community Service (CNCS). The enrolled bill provides \$572 million for CNCS programs in this title, \$3.1 million below FY 2004 enacted and \$64 million below your request. The AmeriCorps program (including the National Service Trust) received \$434 million, \$8.2 million below your request.

Department of Veterans Affairs

H.R. 4818 provides \$30.9 billion in discretionary budget authority (not including approximately \$2 billion in collections) for VA, \$1.2 billion above your request and \$1.7 billion above FY 2004 enacted. Most of the funding above the request was included for medical care activities, for which the bill provides a total of \$28.2 billion. The bill does not include the proposal in your request for new medical care user fees and drug co-payments for higher-income non-disabled veterans. It does include your requested level of \$553 million for construction to better align VA's medical care facilities with patient needs by implementing the recommendation of the Capital Asset Realignment for Enhanced Services (CARES) study. The enrolled bill also provides \$20 million in funding for a new Prosthetics and Integrative Health Care initiative that will treat soldiers returning from Iraq and Afghanistan who have lost limbs in combat.

Housing and Urban Development (HUD)

The enrolled bill provides \$31.9 billion for HUD's housing assistance and community development programs, \$1.5 billion above FY 2004 enacted and \$0.6 billion above your request. The bill provides almost \$2 billion for the HOME program, including \$50 million for your American Dream Downpayment initiative to help families buy their first homes.

The bill includes \$144 million for the HOPE VI program to replace severely distressed public housing, for which the Administration requested no funding because the program achieved its original goal of demolishing 100,000 units of unlivable housing. The bill does not include any financing for your \$25 million request for HUD's component of your Prisoner Re-entry initiative.

The bill adds \$1.8 billion to your request for Section 8 Housing Vouchers and project-based assistance to pay for cost increases. It does not include your proposed reforms to the Housing Voucher program that would have controlled costs and provided more flexibility in administering assistance.

Environmental Protection Agency (EPA)

The enrolled bill provides \$8 billion in funding for EPA, \$277 million below FY 2004 enacted and \$329 million above your request. The Superfund account is funded at \$1.26 billion, \$124 million below the request and same as FY 2004. The Clean Water State Revolving Fund is provided \$1.1 billion, \$242 million below FY 2004 enacted and \$250 million above your request. The bill also includes over \$400 million for unrequested projects.

National Science Foundation (NSF)

The enrolled bill provides \$5.5 billion for the NSF, \$61 million below FY 2004 enacted and \$228 million below your request. NSF's share of the Math and Science Partnership is funded at \$80 million, equal to your request.

MISCELLANEOUS PROVISIONS

H.R. 4818 incorporates several authorization bills and other provisions, the most significant of which are described below.

L-1 Visa and H-1B Visa Reform Act. Under current law, up to 65,000 H-1B visas are available per fiscal year for employers to hire foreign workers in occupations requiring highly specialized knowledge and completion of a specific course of higher education. The enrolled bill would allow for an additional 20,000 H-1B visas to be available for aliens who have earned a master's or higher degree from a U.S. institution, require employers to pay H-1B workers the prevailing wage for their job field, and reinstate and raise the fee for each H-1B petition from \$1,000 to \$1,500, but provide for a \$750 fee for each petition by any employer with 25 or fewer full-time equivalent employees who are employed in the United States. These fees would support training and education activities in DOL and NSF and the administrative activities of the H1-B program in DOL and the Department of Homeland Security.

Under current law, L-1 visas are available for intra-company transferees who have been employed abroad continuously for one year and will be employed by a branch, parent, affiliate, or subsidiary of that same employer in the U.S. in a managerial, executive, or specialized knowledge capacity. The enrolled bill would prohibit L-1 visas for aliens who would be stationed primarily at a worksite other than that of the employer if: (1) the alien will be supervised principally by the unaffiliated employer; or (2) the placement of the alien is essentially an arrangement to provide labor for hire for the unaffiliated employer.

In addition, the enrolled bill would require a fee of \$500 to be imposed on an employer filing certain H-1B or L visa petitions. The fee would be deposited in an H-1B and L Fraud Prevention and Detection account to be established in the general fund of the Treasury. These funds would be available to the Departments of State, Homeland Security, and Labor to combat fraud.

Small Business Reauthorization and Manufacturing Assistance Act. H.R. 4818 includes a provision that your Administration does not oppose that would authorize appropriations to SBA for specified programs of \$332 million for FY 2005 and \$348.5 million for FY 2006. The enrolled bill would also authorize appropriations of "such sums as may be necessary" through FY 2006 for all SBA programs that have not been reauthorized elsewhere.

The bill would authorize SBA to support up to \$30 billion in credit to small businesses in FY 2005 and up to \$32.5 billion in FY 2006. The enrolled bill would make several changes to SBA credit programs, including the following: increasing the maximum loan guarantee amount under the section 7(a) loan guarantee program from \$1 million to \$1.5 million and increasing the section 7(a) loan guarantee fee for amounts over \$1 million from 3.5 to 3.75 percent; increasing the maximum guaranteed capital investment that Certified Development Companies may make in a small business from \$1 million to \$1.5 million for regular projects and from \$1.3 million to \$2.0 million for projects directed toward specified public policy goals. The bill would also provide for investment in a new category of "small manufacturer" projects of up to \$4 million. In addition, the enrolled bill would increase the maximum guaranteed international trade loan from \$1.25 million to \$1.75 million and increase the maximum loan which may be offered under SBA's Express Loan program (which offers streamlined documentation requirements) from \$250,000 to \$350,000.

Recreation Fees. The enrolled bill authorizes DOI and USDA's Forest Service to charge recreation fees on Federal lands and spend the receipts to improve facilities and services. The provision is similar to your request, except that it is authorized for ten years instead of permanently.

Tribal Water Settlement. The enrolled bill authorizes the Snake River Water Rights Settlement between the Nez Perce Tribe of Idaho and the State of Idaho, a \$205 million settlement with a Federal share of \$193 million or 94 percent of the total cost. The settlement ends 20 years of water rights disputes among the Nez Perce Tribe, the State of Idaho, farmers, towns, cities, industrial users, hydropower producers, and various Federal agencies.

Satellite Home Viewer Extension and Reauthorization Act of 2004. The enrolled bill would extend for five years, to December 31, 2009, the statutory license which allows satellite television carriers to retransmit distant television broadcasts without permission from copyright holders, subject to payment of royalties. As these royalties are paid to copyright holders through the Copyright Office, the enrolled bill would increase revenues and outlays, but have a small net impact on the budget over time. The bill would extend and revise the rules governing retransmission by satellite carriers of distant analog broadcast signals and establish the terms and conditions under which satellite carriers can retransmit distant digital broadcast signals. Satellite carriers would be subject to the same subscriber privacy rules that currently apply to cable television. The bill would authorize satellite carriers to retransmit a local television station to any subscriber in a State who is not in one of the Nation's 50 largest television markets. The enrolled bill would require satellite carriers that retransmit local broadcast stations to do so by means of a single dish, effective 18 months after enactment.

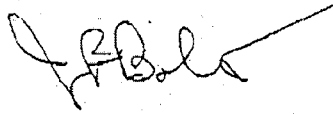
Patent and Trademark Office Fee Modernization Act. H.R. 4818 includes the Administration's Patent and Trademark Office Fee Modernization Act, originally proposed with the FY 2004 Budget, to restructure the U.S. Patent and Trademark Office's (USPTO) patent fees and adjust trademark fees. These provisions amend Titles 35 and 15, United States Code, to reflect more accurately the costs of the services provided by the USPTO. For example, the bill provides for distinct filing, search, and examination fees, in contrast with the current system of collecting one fee upon filing for all of these steps in the process. Additionally, the legislation adjusts current trademark fees by establishing different fee amounts for applications filed electronically compared to applications filed on paper. The bill increases fee income by \$200 million, which is intended to enhance examination quality and improve the efficiency of the patent and trademark examination systems. The enrolled bill provides these fee changes for FY 2005 and FY 2006.

The enrolled bill also requires an 18-month pilot program to ensure searches by commercial entities are accurate and meet PTO standards, defines a qualified search authority as organized under U.S. laws and requires that individuals performing the searches be U.S. citizens, notes that qualified search authorities cannot have any direct or indirect financial interest in any patent or in any pending or imminent application for a patent filed at USPTO, extends the small entity reduction (50 percent) to search fees, and applies a 75 percent reduction to filing fees for small entities if the patent application is filed electronically.

Recommendation

H.R. 4818 adequately funds most of your major priorities while holding funding to the agreed upon fiscally responsible spending limit. I join with the heads of the affected Departments and agencies in recommending that you sign the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "J. B. Bolten", with a long horizontal stroke extending to the right.

Joshua B. Bolten
Director

President's Statement on the Consolidated Appropriations Act, 2005

Today, I have signed into law H.R. 4818, the "Consolidated Appropriations Act, 2005" (CAA). The CAA, consisting of eleven Divisions, consolidates into a single Act several appropriations bills that the Congress normally passes separately each year to fund the operations of the Federal Government, and also several bills that are not normally part of an appropriations bill.

Many provisions of the CAA are inconsistent with the constitutional authority of the President to conduct foreign affairs, command the Armed Forces, protect sensitive information, supervise the unitary executive branch, make appointments, and make recommendations to the Congress. Many other provisions unconstitutionally condition execution of the laws by the executive branch upon approval by congressional committees.

The executive branch shall construe as advisory provisions of the CAA that purport to direct or burden the Executive's conduct of foreign relations or to limit the President's authority as Commander in Chief. Such provisions include: in the Commerce-Justice-State Appropriations Act, sections 406, 611, 609, 627, and the provision regarding voting in the United Nations Security Council under the heading "Contributions for International Peacekeeping Activities"; in the Foreign Operations Appropriations Act, sections 506, 514, 531, 547, 561, 562, 580, 585, 593, and the provisions entitled "Other Bilateral Economic Assistance, Economic Support Fund" and "Andean Counterdrug Initiative"; as well as in Division J ("Other Matters"), section 3(b)(3) of the 225th Anniversary of the American Revolution Commemoration Act.

The executive branch shall also construe the provisions of the CAA in a manner consistent with the President's authority to supervise the unitary executive branch, including the authority to direct which officers in the executive branch shall assist the President in faithfully executing the law. Such provisions include in the Transportation-Treasury Appropriations Act, sections 618 and 628, and language relating to review by the Office of Management and Budget (OMB) of executive branch orders, activities, regulations, transcripts, and testimony, particularly language relating to OMB review of certain matters in reports to be submitted to the Congress through the Secretary of the Army.

The executive branch shall construe provisions in the CAA that purport to mandate or regulate submission of information to the Congress, other entities outside the executive branch, or the public, in a manner consistent with the President's constitutional authority to withhold information that could impair foreign relations, national security, the deliberative processes of the Executive, or the performance of the Executive's constitutional duties. Such provisions include: in the Agriculture Appropriations Act, section 717; in the Commerce-Justice-State Appropriations Act, sections 407, 409, and provisions concerning a budget proposal under the heading "National Intellectual Property Law Enforcement Coordination Council"; in the Energy and Water Appropriations Act, sections 112, 113, and 503; in the Foreign Operations Appropriations Act, section 559; in the Labor-HHS-Education Appropriations Act, a provision under the heading "Department of Health and Human Services, Office of the Secretary"; in the Transportation-Treasury Appropriations Act, sections 522 and 618; in the VA-HUD Appropriations Act, section 210; and in Division J, section 16 of the L-1 Visa and H-1B Visa Reform Act.

The executive branch shall construe provisions of the CAA that purport to make consultation with the Congress a precondition to the execution of the law as calling for, but not mandating, such consultation, as is consistent with the Constitution's provisions concerning the separate powers of the Congress to legislate and the President to execute the laws. Such provisions include: in the Foreign Operations Appropriations Act, sections 509, 512, 543, 569, 588, and provisions under the heading "International Disaster and Famine Assistance," "Transition Initiatives," "Andean Counterdrug Initiative," and "Debt Restructuring"; and in the Interior and Related Agencies Appropriations Act, provisions under the heading "National Park Service, Historic Preservation Fund," and "Administrative Provisions, Smithsonian Institution."

The executive branch shall construe provisions that purport to require or regulate submission by executive branch officials of legislative recommendations to the Congress consistently with the President's constitutional authority to recommend to the Congress such measures as he judges necessary and expedient. Such provisions include: in the Agriculture Appropriations Act, section 721; in the Commerce-Justice-State Appropriations Act, sections 628 and 902; in the Interior and Related Agencies Appropriations Act, section 102; in the Transportation-Treasury Appropriations Act, section 404; in the VA-HUD Appropriations Act, section 215; and in Division K, section 152 of the Small Business Reauthorization and Manufacturing Assistance Act of 2004.

In section 601 of the Energy and Water Appropriations Act, section 2 of the amended Tennessee Valley Authority Act shall be construed consistently with the President's constitutional authority to make nominations and appoint officers. So that section 522 of the Transportation-Treasury Appropriations Act may be faithfully executed, the executive branch shall construe subsection (c), which provides that an agency privacy officer's signature on a report to the agency inspector general shall constitute verification by the officer "that the agency is only using information in identifiable form as detailed in the report" to mean that the signature constitutes verification to the best of the officer's knowledge after diligent inquiry.

The executive branch shall construe as calling solely for notification the provisions of the CAA that are inconsistent with the requirements of bicameral passage and presentment set forth in the Constitution, as construed by the Supreme Court of the United States in 1983 in *INS v. Chadha*. Such provisions include: in the Agriculture Appropriations Act, sections 705, 718, 736, and a provision under the heading "Food and Drug Administration, Salaries and Expenses"; in the Energy and Water Appropriations Act, section 303; in the Interior and Related Agencies Appropriations Act, sections 305, 313, 329, 332, 333, and provisions under the headings "United States Fish and Wildlife Service, Administrative Provisions," "National Park Service, Construction," "Department of the Interior, Departmental Management, Salaries and Expenses," "Natural Resource Damage Assessment and Restoration, Administrative Provisions," "Forest Service, Wildland Fire Management," "Administrative Provisions, Forest Service," "Indian Health Service, Indian Health Facilities," "Administrative Provisions, Indian Health Service," and "Administrative Provisions, Smithsonian Institution"; in the Labor-HHS-Education Appropriations Act, section 208 and a provision under the heading "Pension Benefit Guaranty Corporation"; in the Transportation-Treasury Appropriations Act, sections 201, 211, 212, 217, 218, 403, 510, 511, 614, 623, and 642, and provisions under the headings "Department of Transportation, Office of the Secretary, Salaries and Expenses," "Department of Transportation, Office of the Secretary, Working Capital Fund," "Federal Transit Administration, Administrative Expenses," "Department of the Treasury, Departmental Offices, Salaries and Expenses," "Internal Revenue Service, Business Systems Modernization," "Office of Administration, Salaries and Expenses," "High Intensity Drug Trafficking Areas Program," and "Real Property Activities, Federal Building Fund, Limitations on Availability of Revenue"; and in the VA-HUD Appropriations Act, section 111 and provisions under the headings "Department of Veterans Affairs, Departmental Administration, Construction, Minor Projects" and "National Aeronautics and Space Administration, Administrative Provisions."

As is consistent with the principle of statutory construction of giving effect to each of two statutes addressing the same subject whenever they can co-exist, the executive branch shall construe the provision in the Energy and Water Appropriations Act under the heading "National Nuclear Security Administration, Weapons Activities" concerning transfer of funds from the Department of Defense to constitute an "express authorization of Congress" to which section 8063 of the Department of Defense Appropriations Act, 2005 (Public Law 108-287) refers.

A number of provisions in the CAA purport to allocate funds for specified projects and amounts set forth in the joint explanatory statement of managers that accompanied the CAA; to make changes in statements of managers that accompanied various appropriations bills reported from conferences in the past; or to direct compliance with a report of one committee of one House of Congress. The executive branch shall construe these provisions in a manner consistent with the bicameral passage and presentment requirements of the Constitution for the making of a law. Such provisions include in the Foreign Operations Appropriations Act, section 595; in the Labor-HHS-Education Appropriations Act, provisions under the headings "Innovation and Improvement," "Rehabilitation Services and Disability Research," "Higher Education," and "Institute of

Education Sciences"; in the Transportation-Treasury Appropriations Act, sections 125 and 173; and in the VA-HUD Appropriations Act, provisions under the headings "Community Development Fund" and "Department of Housing and Urban Development, Management and Administration, Salaries and Expenses."

Several provisions of CAA relate to race, ethnicity, or gender. The executive branch shall construe such provisions in a manner consistent with the requirements that the Federal Government afford equal protection of the laws under the Due Process Clause of the Fifth Amendment to the Constitution.

Section 12 of the Legislative Branch Appropriations Act authorizes overseas travel for members of the U.S. Capitol Police in support of travel by Senators. To ensure consistency with the President's constitutional authority to conduct the Nation's foreign affairs, the executive branch shall construe section 12 as authorizing travel for the limited purposes of advance, security, and protective functions in support of the official travel of Senators. The executive branch shall construe the term "intelligence gathering" in section 1007 of the Legislative Branch Appropriations Act, which relates to activities of the U.S. Capitol Police outside their geographic jurisdiction, as limited to collection of information for law enforcement and protective functions authorized by other laws relating to the U.S. Capitol Police, as any other construction would be inconsistent with the Constitution's vesting of the executive power in the President.

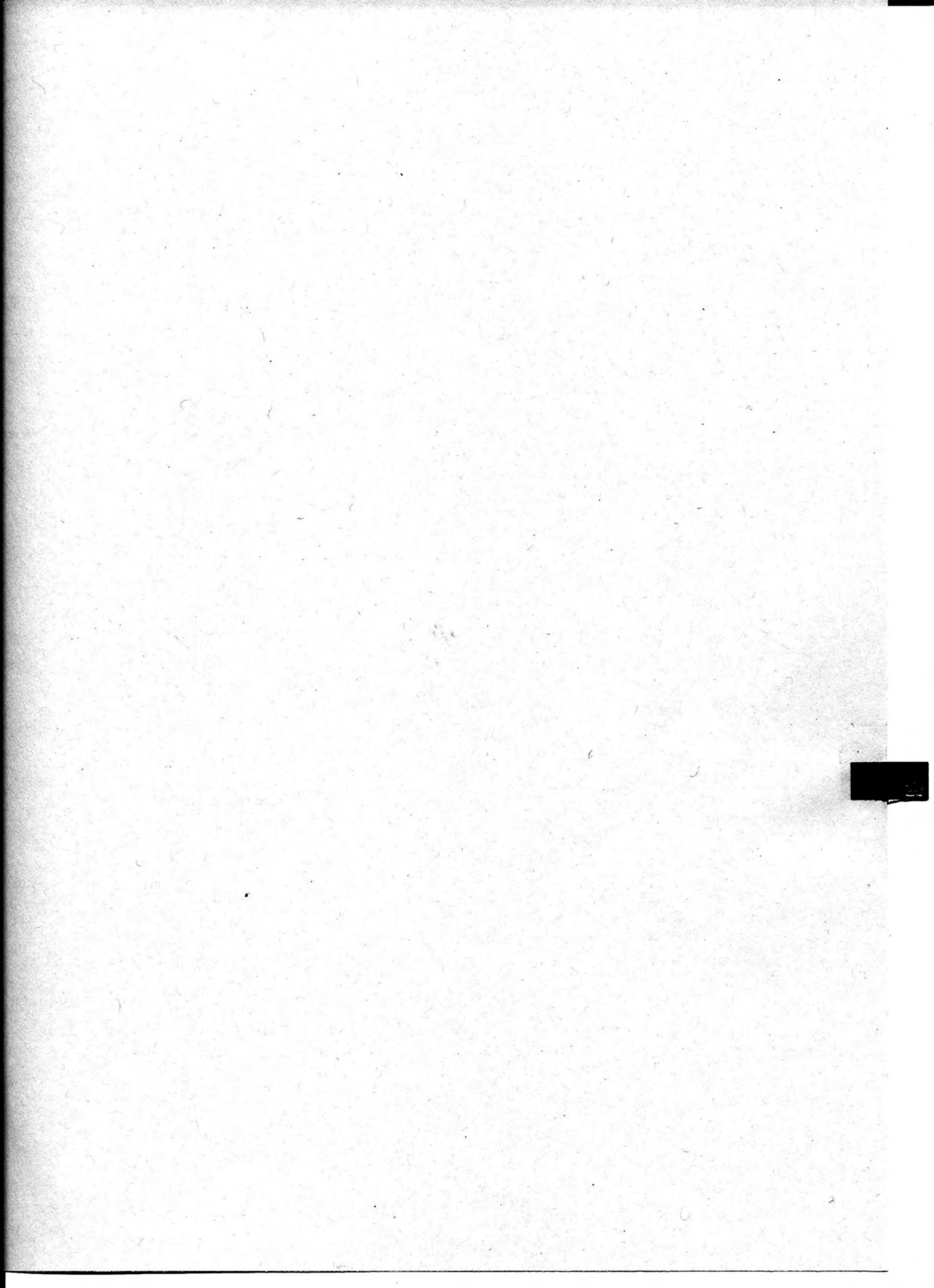
The executive branch shall construe section 638 of the Transportation-Treasury Appropriations Act, relating to assignment of executive branch employees to perform functions in the legislative branch, in a manner consistent with the President's constitutional authority to supervise the unitary executive branch and as Commander in Chief, and recognizing that the President cannot be compelled to give up the authority of his office as a condition of receiving the funds necessary to carrying out the duties of his office.

GEORGE W. BUSH

THE WHITE HOUSE,

December 8, 2004.

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THE DIRECTOR

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

August 2, 2005

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2361 -- Department of the Interior, Environment, and Related Agencies
Appropriations Act, FY 2006

Sponsors: Representative Lewis (R), California
Senator Cochran (R), Mississippi

Last Day for Action

The last day for action is August 10, 2005 -- Wednesday.

Purpose

The enrolled bill provides FY 2006 appropriations for the Department of the Interior, the Forest Service (Department of Agriculture), the Indian Health Service (Department of Health and Human Services), the Environmental Protection Agency, and several smaller agencies.

Agency Recommendations

Office of Management and Budget	Approval (Signing Statement attached)
Department of the Interior	Approval
Department of Agriculture	Approval
Department of Health and Human Services	Approval
Department of Energy	Approval
Environmental Protection Agency	Approval
Smithsonian Institution	Approval
Other affected agencies	Approval (assumed)

Summary

In total, H.R. 2361 provides \$26.1 billion in FY 2006 discretionary budget authority, before the application of a 0.476 percent across-the-board reduction to all accounts within Title I through Title IV of the Interior bill. With the impact of the across-the-board reduction, the bill is \$0.8 billion below FY 2005 enacted and \$0.3 billion above your FY 2006 request. Amounts referenced below for individual programs do not reflect the across-the-board reduction.

The bill also includes a \$1.5 billion FY 2005 supplemental appropriation for the Department of Veterans Affairs (VA) to meet increased costs in the VA medical care system.

The conference report on H.R. 2361 passed the House by a vote of 410-10 on July 28th and the Senate by a vote of 99-1 on July 29th.

Department of Veterans Affairs

The enrolled bill includes an FY 2005 supplemental appropriation of \$1.5 billion for the Department of Veterans Affairs. On June 30th, you asked the Congress for \$975 million in additional FY 2005 resources for increased costs in VA's medical care system. On July 14th, you augmented your FY 2005 request with a proposal to provide an additional \$1,977 million in FY 2006 resources. We will continue to work with the Congress to ensure that the total amount appropriated for FY 2005 and FY 2006 combined addresses the increased costs identified in the medical care system without exceeding the total you proposed.

Select Initiatives

The bill provides \$5 million for the Preserve America initiative, \$5 million above FY 2005 enacted and \$7.5 million below your FY 2006 request. This initiative helps States, Tribes, and local communities demonstrate sustainable uses of their historic and cultural sites and the economic and educational opportunities related to heritage tourism.

The enrolled bill provides \$10 million for the American Masterpieces initiative in the National Endowment for the Arts, \$2 million above your request and \$8 million above the FY 2005 enacted level. The bill also provides \$11 million for the We the People initiative in the National Endowment for the Humanities, the same as your request and the FY 2005 enacted level. These initiatives will enable more students and communities to experience the best of America's culture and history.

The bill provides a \$2 million contribution from the Environmental Protection Agency (EPA) to the Methane to Markets international partnership, \$2 million below the budget request. This partnership is an important U.S.-led international initiative designed to reduce greenhouse gas emissions in both developed and developing nations in a cost effective manner.

Section 422 of the enrolled bill limits the full potential of your Management Agenda initiative on competitive sourcing by capping the funds that may be used to conduct public-private competitions at \$3.45 million for the Department of the Interior and \$3 million for the Forest Service. The Administration has expressed concern that the funding limitations will restrict these agencies' ability to improve program management through competitive sourcing. Competitions completed by the Forest Service and Department of the Interior in FY 2004 are collectively expected to net nearly \$200 million in taxpayer savings over the next several years. The enrolled bill also requires the Forest Service to consider the qualifications of employees being competed to determine how competition may affect its ability to fight and manage wildfires. The Administration raised concerns regarding requirements to assess the impact of competition in terms of specific individuals rather than overall efficiencies in the allocation of workforce and capital resources.

Department of the Interior

The Department of the Interior receives a total of \$9.9 billion, \$149 million above your request and \$80 million above the FY 2005 enacted level. The bill includes full funding for key programs such as the operations of the National Park System and exceeds your request for the operations of the Fish and Wildlife Service, the Bureau of Land Management, and the Bureau of Indian Affairs.

The bill provides \$188 million of the \$246 million that you requested for the Abandoned Mine Land Reclamation Fund (AML). Funds were not provided to support the Administration's reauthorization proposal, because the authorizing committees have yet to address problems with AML's statutes, including the funding distribution formula. However, the bill extends the AML coal-fee authorization until June 30, 2006. Additionally, the bill does not include \$4 million you requested for land acquisition at the National Park Service Flight 93 Memorial site in Pennsylvania.

You proposed terminations of four Interior programs and significant reductions to four others. The bill accepts one of the terminations but continues to fund the other three programs including \$30 million for Land and Water Conservation Fund State Grants. Among the programs targeted for reduction, the bill funds both the Bureau of Indian Affairs School Construction and Payments in Lieu of Taxes at \$36 million above your request.

The bill provides \$192 million for the Office of the Special Trustee for Indian Affairs, which is \$78 million less than the \$269 million you requested due to a \$58 million cap on the amount of funding the Office can spend for a historical accounting of Indian trust fund accounts.

The bill contains a provision that prohibits all Interior Department funding for the SAFECOM and Disaster Management E-Government initiatives. These Presidential Management Agenda public safety programs provide key tools to responder organizations, without which their effectiveness in responding to incidents could be undermined.

Department of Health and Human Services

H.R. 2361 provides an overall funding level of \$3.1 billion for the Indian Health Service, \$43 million above your request and \$106 million above the FY 2005 enacted level.

Department of Agriculture

The enrolled bill provides an overall funding level of \$4.3 billion for the Forest Service, \$198 million above your request. The bill is \$527 million below the FY 2005 enacted level, primarily because the bill does not continue last year's one-time supplemental funding for wildland firefighting. The bill includes \$286 million for brush removal and forest thinning, which is part of your Healthy Forest initiative. The bill also provides \$57 million for Forest Legacy, a private forest land conservation program, \$23 million less than your requested level. In addition, the bill allows the Forest Service to sell buildings, warehouses and other facilities that have outlived their usefulness, as you proposed in your Budget. Proceeds from these sales would go to a fund that contributes, in part, to reducing the agency's \$5.2 billion maintenance backlog.

Environmental Protection Agency

H.R. 2361 funds EPA at \$7.7 billion, \$162 million above your FY 2006 request and \$293 million below the FY 2005 enacted level. While the bill provides \$311 million in Congressional projects, funding for their projects are \$178 million below the FY 2005 enacted level. The Congress held funding to \$900 million for the Clean Water State Revolving Fund, which is \$170 million above your request but \$191 million below the FY 2005 enacted level.

National Endowment for the Arts, National Endowment for the Humanities

The enrolled bill includes \$126 million for the National Endowment for the Arts and \$143 million for the National Endowment for the Humanities. These two agencies are funded at \$5 million above both your request and the FY 2005 enacted level.

Other Cultural Agencies

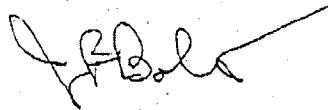
The enrolled bill funds the Smithsonian Institution at \$624 million, \$9 million above both your request and the FY 2005 enacted level. In addition, the John F. Kennedy Center for the Performing Arts, the National Gallery of Art, the U.S. Holocaust Memorial Museum, the Woodrow Wilson International Center for Scholars, the National Capital Planning Commission and the Commission of Fine Arts are funded approximately at requested levels.

Recommendation

On balance, H.R. 2361 provides adequate overall funding for your major initiatives. We will continue to work with the Congress to ensure that the policy and program content of each of the remaining appropriations bills is acceptable to you and that the bill totals are within the agreed upon aggregate funding level in your FY 2006 Budget and contained in the FY 2006 Congressional Budget Resolution of \$843 billion, as amended by your request for additional funds for Veterans Affairs medical care.

I join with the heads of the affected Departments and Agencies in recommending that you sign the bill. A signing statement is attached for your consideration.

Sincerely,



Joshua B. Bolten
Director

Attachment

President's Statement on H.R. 2361

Today, I have signed into law H.R. 2361, the "Department of Interior, Environment, and Related Agencies Appropriations Act, 2006." This bill appropriates funds for FY 2006 for the Department of the Interior, the Forest Service of the Department of Agriculture, the Indian Health Service of the Department of Health and Human Services, the Environmental Protection Agency, and several smaller agencies.

Provisions of the Act that purport to require congressional committee or individual leaders' approval prior to execution of the law shall be construed as calling solely for notification, as any other construction would be inconsistent with the principles enunciated by the Supreme Court of the United States in *INS vs. Chadha*. These provisions include language under the headings "United States Fish and Wildlife Service, Administrative Provisions," "National Park Service, Construction," "Departmental Management, Salaries and Expenses," "Natural Resources Damage Assessment and Restoration, Administrative Provisions," "Forest Service, Wildland Fire Management," "Administrative Provisions, Forest Service," "Administrative Provisions, Indian Health Service," and "Administrative Provisions, Smithsonian Institution," as well as sections 130, 405, 421, 422, and 435 of the Act.

Provisions of the Act, such as language under the headings "National Park Service, Historic Preservation Fund," "Environmental Protection Agency, State and Tribal Assistance Grants," and "Administrative Provisions, Smithsonian Institution," purport to require execution of the Act in consultation with congressional committees. The executive branch shall construe this requirement in a manner consistent with the Constitution's grant to the President of exclusive authority to faithfully execute the laws and supervise the unitary executive branch. Further, sections 101 and 102 purport to require the President to submit supplemental appropriations requests. The executive branch shall construe these sections in a manner consistent with the President's constitutional authority to recommend for congressional consideration such measures, including requests for appropriations, as he judges necessary and expedient.

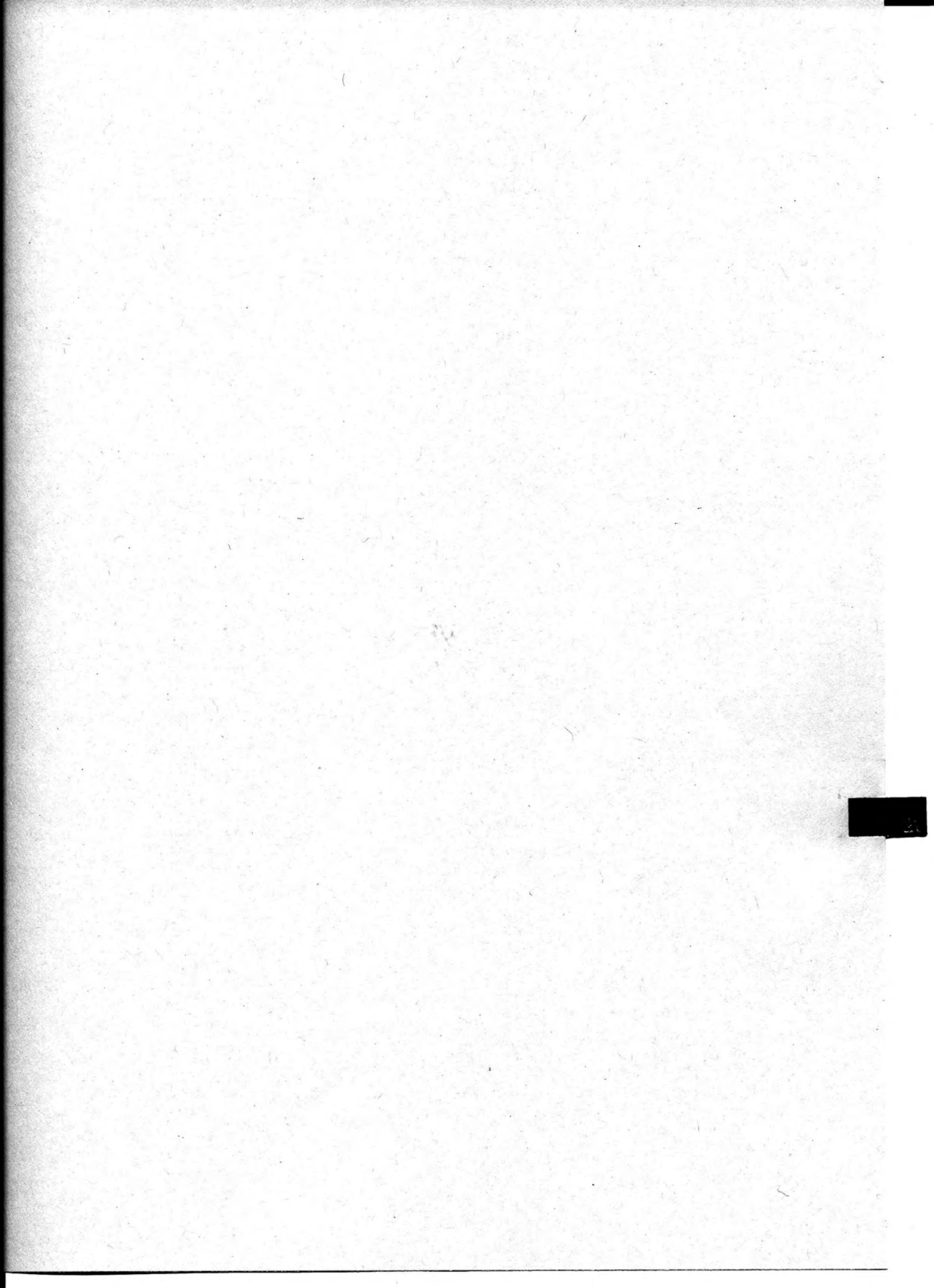
Finally, in language under the headings "State and Tribal Assistance Grants," "Environmental Protection Agency," and "Department of Health and Human Services, Indian Health Services," the Act purports to require that certain funds be spent consistent with the joint explanatory statement of managers and an instruction in a Senate report. These documents do not satisfy the constitutional requirements of bicameral approval and presentment to the President needed to give them the force of law.

GEORGE W. BUSH

THE WHITE HOUSE,

August 2, 2005.

###



Fact Sheet: Honoring America's Veterans

Veterans Day 2005

- **On Veterans Day, America Honors Our Nation's Men And Women In Uniform And Their Families Who Have Sacrificed For Our Nation.** Members of the Army, Navy, Air Force, Marines, and Coast Guard have protected our country and liberated millions of people around the world from tyranny and terror.
- **President Bush Is Dedicated To Supporting Our Nation's 25 Million Veterans, And His Administration Has A Record Of Accomplishment For Those Who Have Sacrificed For Our Liberty And Security.** Since the President took office, the Administration has increased spending for veterans by \$24 billion – a total of 53 percent. In the President's first four years in office, spending for veterans increased twice as much as it did in the eight years of the previous Administration.
- **The Administration Is Committed To Providing A Seamless Transition For Veterans As They Leave The Military.** Agencies throughout the Federal government, including the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Justice, Labor, Transportation, Treasury, and Veterans Affairs, offer programs and services for America's newest veterans and for the military families who stand behind our servicemen and women.

Improving Health Care for Veterans

- **Health Care For Veterans Is A Top Priority.** President Bush recognizes the importance of health care to veterans and has made it a priority to improve the current system. Since taking office, the President has increased the Department of Veterans Affairs (VA) medical care budget by 51 percent, and these resources are being used to make real improvements for veterans. Over the past four years, the number of total outpatient visits and volume of prescriptions filled have increased, and disability claims are being processed faster.
- **VA Facilities Are Being Modernized And Expanded.** In the last two years, the Administration has committed more than \$1.5 billion to modernizing and expanding VA facilities so that more veterans can get care closer to home. The Administration is committed to helping the veterans who fought and sacrificed for America get the quality care they deserve.
- **Priority Scheduling Gives Precedence To Veterans With The Greatest Needs.** Treating veterans with military disabilities, lower incomes, and special needs has always been VA's core health care mission. Under the President's leadership, the Administration has refocused resources and implemented a priority scheduling system to ensure that returning combat veterans and core-mission veterans are first in line.
- **Expanded Access Allows For Long-Term Care In The Most Non-Intrusive Settings.** The Administration's budgets continue to promote non-institutional long-term care that

allows veterans to live and be cared for near or in the comfort and familiar settings of their homes surrounded by their families.

Serving America's Veterans and Caring for Families of Veterans

- **President Bush Is The First President In Over 100 Years To Sign Concurrent Receipt Legislation.** President Bush twice signed legislation effectively providing “concurrent receipt” of both military retired pay and VA disability compensation for those regular military retirees most deserving – combat-injured and highly disabled veterans – reversing a century-old law preventing concurrent receipt.
- **The President Kept His Promise To Award Disability Claims Faster.** The President promised to reduce the disability claims backlog, and at his request, Congress has provided VA with the resources it needs to award claims faster. Since January 2002, the average length of time to process a veteran’s disability compensation or pension claim has dropped from approximately 230 days to 167 days.
- **The Administration Has Increased Traumatic Injury And Death Benefits.** The President signed into law proposals increasing the death gratuity for deaths in Operation Enduring Freedom, Operation Iraqi Freedom, or combat-related activities from \$12,420 to \$100,000; increasing the maximum life insurance benefit from \$250,000 to \$400,000; and providing a lump sum payment of up to \$100,000 for serious traumatic injuries occurring in service.
- **New And Expanded Benefits Provide For Families Of Veterans.** VA makes pensions based on need available to surviving spouses and unmarried children of deceased veterans with wartime experience. President Bush signed the Veterans Benefits Act authorizing new and expanded benefits for disabled veterans, surviving spouses, and children.
- **Faith-Based And Community Grants Help Homeless Veterans.** President Bush expanded faith-based and community grants to all 50 States, Washington, D.C., and to Indian Tribal governments for the first time in history. Under his leadership, veterans have decreased by 10 percent as a percent of the adult homeless population, and the number of veterans homeless on any given night has decreased by 20 percent.
- **Taking Steps To Honor American Veterans Laid To Rest.** To comfort families and honor veterans with a hallowed, final resting place, the President signed the National Cemetery Expansion Act of 2003 into law, authorizing the future development of six new national cemeteries across the country. Between FY 2001 and FY 2005, VA provided more than 1.7 million headstones and markers to honor American veterans laid to rest in national and state veteran cemeteries and private cemeteries around the world. By 2010, 90 percent of America’s veterans will have access to a burial option within 75 miles of their residence, either at a National Cemetery or State Veterans Cemetery that was constructed or expanded through Federal grants.
- **The President Is Committed To Safeguarding America’s Symbols Of Freedom.** The American flag is a special mark of pride and dignity to America’s veterans – and the President believes it deserves to be protected in the Constitution. In June, the House of

Representatives voted for a constitutional amendment to ban flag desecration, and the President has urged the Senate to pass this important amendment this year.

Helping America's Newest Veterans Transition To Civilian Life

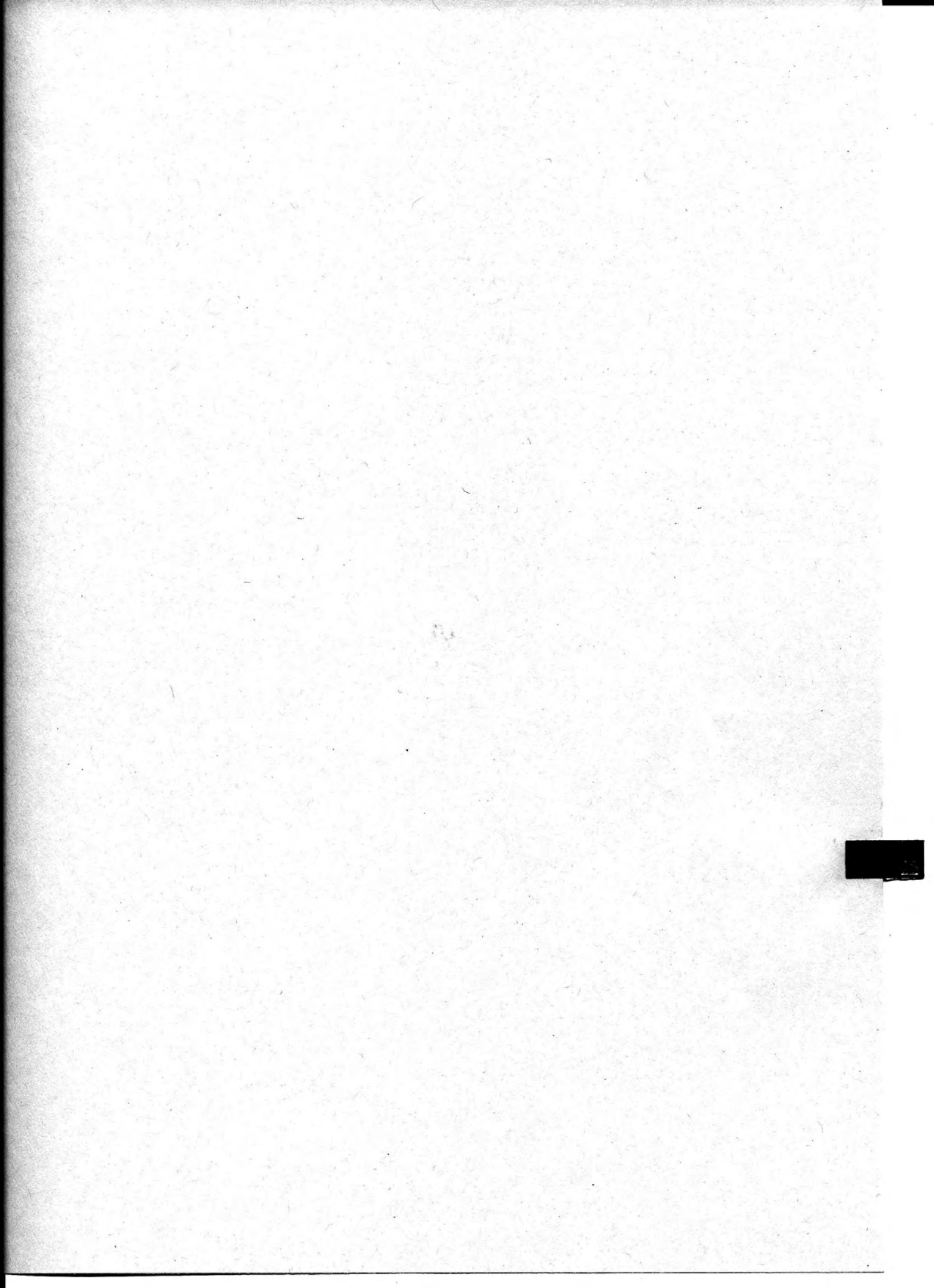
- **New Partnerships And Innovative Programs Facilitate Benefits Delivery Upon Discharge From Military Service.** Under the President's leadership, agencies and departments throughout the Federal government are joining forces to provide programs and services for America's newest veterans and military families, including:
 - **VA, The Department Of Defense (DoD), And The Department Of Labor (DOL) Have Developed A Partnership To Facilitate The Delivery Of Services To Veterans And Military Beneficiaries.** VA experts are reaching out to service members at 140 military bases to provide America's newest veterans with the benefits they have earned and to bring about a seamless transition for new veterans from military to civilian status.
 - **VA And DoD Work Together To Meet The Needs Of The Men And Women Who Served In Operation Iraqi Freedom And Operation Enduring Freedom (OIF/OEF).** Together, VA and DoD are finding ways to move records more efficiently between the two agencies; share critical medical information electronically; process benefits claims quickly and efficiently; and, in every way possible, support their transition from active duty to civilian life. A VA website provides information about a wide range of benefits for returning veterans at www.seamlesstransition.va.gov.
 - **The Department Of Housing And Urban Development's (HUD) HUDVET Resource Center Is Specifically Designed To Help Veterans, Current Military Members, And Their Families Make Full Use Of HUD's Programs And Services.** In cooperation with leading veteran's groups, HUDVET produces a Resource Directory and maintains a comprehensive web site. Both the Directory and the website provide an easy-to-use breakout – on a state-by-state basis – of the organizations and services available to veterans.
 - **DOL And The Department Of Justice (DOJ) And The Office Of Special Counsel Actively Protect The Employment Rights Of Veterans.** DOL helps veterans and employers understand their rights and responsibilities under the Uniformed Services Employment & Reemployment Rights Act (USERRA). This law requires employers of active duty service members, reservists, and deployed National Guard members to reinstate them to their jobs with full pay and benefits. If returning soldiers face problems in securing reinstatement and legal action is necessary, DOJ personally represents returning soldiers under USERRA when they seek to resume the job they left to serve their country. The Office of Special Counsel represents soldiers' Federal sector USERRA claims.
 - **DOL Helps Employers Find Qualified Veterans As They Leave The Military And Helps Veterans Make The Best Use Of A National Network Of Employment Resources.** Through a national "Hire Vets First" campaign, the

Department is raising awareness among employers of the relevance and value of military training and experience to civilian occupations. DOL provides more than \$7 billion in job training and employment services, which are delivered through a nationwide network of One-Stop Career Centers and administered in partnership with states and local communities, and assures that every veteran, surviving spouse, or the spouses of captured or missing service members, have priority for these services.

- **New Initiative To Increase The Number Of Contracts The Department of Agriculture (USDA) Awards To Disabled Veterans Who Own Small Businesses.** USDA developed a Service Disabled Veteran-Owned Small Business Strategy to provide the formal direction and aggressive activities necessary to afford its contracting opportunities to veteran small business owners throughout the country.

DoD And The Department Of Education Have Partnered On The Highly Successful Troops-To-Teachers Program. Under this program, the Secretary of Education supports DoD in providing assistance, including stipends of up to \$5,000, to eligible members of the Armed Forces so that they can obtain certification or licensing to become highly qualified elementary, secondary, or vocational/technical teachers. In addition, the program helps these new teachers find employment.

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

THE DIRECTOR

November 28, 2005

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2528 – Military Quality of Life Functions of the Department of Defense, Military Construction, the Department of Veterans Affairs, and Related Agencies Appropriations Act, 2006

Sponsors: Representative Lewis (R), California
Senator Cochran (R), Mississippi

Last Day for Action

The last day for action is December 9, 2006 - - Friday. Funding for the agencies and accounts covered by the enrolled bill is currently provided under Public Law 109-105, the second FY 2006 Continuing Resolution, which will expire December 17th. Your signature is recommended as soon as possible.

Purpose

The enrolled bill provides FY 2006 appropriations for Military Quality of Life, Military Construction, Veterans Affairs and Related Agencies.

Agency Recommendations

Office of Management and Budget	Approval (Signing Statement attached)
Department of Defense (DOD)	Approval (Assumed)
Department of Veterans Affairs (VA)	Approval (Assumed)
Other affected departments and agencies	Approval (Assumed)

Summary

H.R. 2528 provides \$12.2 billion for Military Construction, \$0.1 billion more than your FY 2006 request and \$33.0 billion in discretionary funds for Veterans Affairs, \$0.3 billion over your amended FY 2006 request. H.R. 2528 also includes \$1.2 billion for veterans medical services that the Congress has designated as an emergency requirement. Availability of this emergency funding is contingent upon your sending a request to Congress that designates these funds as an emergency requirement.

The conference report on H.R. 2528 passed the House by a vote of 427-0 on November 18, 2005, and passed the Senate by voice vote the same day.

Base Realignment and Closure (BRAC)

The enrolled bill provides \$1.5 billion for the implementation of the 2005 BRAC round, \$376 million below the Administration's request. In addition, the bill contains an objectionable provision that requires the Secretary of Defense to submit a report and

receive the approval of the congressional defense committees before expending funds for BRAC. This provision violates the constitutional doctrine of the separation of powers, as the Supreme Court has ruled in *INS vs. Chadha*; the provision should be treated as a requirement for Congressional notification only, as the attached signing statement makes clear.

Military Construction

The bill largely supports your military housing initiative and efforts to improve the quality of life for our service members by providing funds for new operations, facilities, and barracks. Selected details of the bill include the following:

Military Construction and Family Housing: H.R. 2528 provides \$6.2 billion for military construction, \$0.8 billion above your request. The \$0.8 billion increase is for 143 unrequested construction projects in various locations across the United States. In addition, the bill provides \$4.0 billion for family housing construction, \$0.2 billion below your request of \$4.2 billion.

Foreign Currency Fluctuation Fund: In previous Military Construction Acts, a provision was included to allow DOD to transfer unobligated funds in expired accounts to the Foreign Currency Fluctuations, Construction account. The enrolled bill does not include such a provision. Without this language, the Department may be required to cover exchange rate losses in FY 2006 by eliminating or reducing funding for several military construction projects.

Overseas Basing: As requested, the enrolled bill memo provides \$0.4 billion for global posture rebasing. In addition, the Congress requested that global rebasing efforts continue to be funded in base budgets rather than through supplemental appropriations and reprogrammings.

Rescissions to Military Construction and Family Housing: The bill rescinds \$0.3 billion in military construction funds appropriated in prior years. The Congress has asked the Services to provide a report quantifying the impacts of rescissions to these accounts by March 31, 2006.

Veterans Affairs

H.R. 2528 provides \$33.0 billion in discretionary budget authority, \$0.3 billion more than your FY 2006 amended request. This is \$0.9 billion more than the FY 2005 enacted level including supplemental funding for veterans medical care. The bill provides \$28.7 billion for medical care activities, including \$1.2 billion that the Congress has identified as an emergency requirement. Availability of this emergency funding is contingent upon your sending a request to Congress that designates these funds as an emergency requirement. We will make a separate recommendation to you as to the timing of this designation.

The bill creates a new Information Technology (IT) capital account to better manage services to veterans and reduces the Department's budget for non-personnel IT spending to \$1.214 billion, \$240 million below the level that VA thought sufficient. VA will work to operate efficiently within this funding level. The enrolled bill does include your requested level of nearly \$700 million for construction to better align VA's medical care facilities with patient needs by implementing the recommendations of the nationwide Capital Asset Realignment for Enhanced Services study.

Related Agencies

The bill also includes funding for several Defense-related agencies, including the American Battle Monuments Commission, Arlington National Cemetery, and Armed Forces Retirement Home. The enrolled bill funds these agencies slightly higher than your FY 2006 requested level.

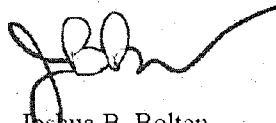
Constitutional Concerns

The enrolled bill includes provisions that purport to require Congressional committee approval prior to Executive Branch action, a provision that seeks to direct the Executive's conduct of foreign relations, and several provisions that require information in circumstances under which such information may be protected by the President's authority to prevent disclosure of information, including sensitive national security information. We therefore recommend that you sign the attached signing statement to ensure that these provisions will be construed consistent with the separation of powers between the Congress and the Executive Branch, the President's constitutional authority to conduct foreign relations and your authority as Commander-in-Chief.

Recommendation

H.R. 2528 contains critical funding for VA and provides adequate support for military construction and family housing. I join with the Secretary of Veterans Affairs and the Secretary of Defense in recommending that you sign H.R. 2528. A signing statement is attached for your consideration.

Sincerely,



Joshua B. Bolten
Director

Attachment

For Immediate Release
Office of the Press Secretary
November 30, 2005

**President's Statement on H.R. 2528, the "Military Quality of Life and
Veterans Affairs Appropriations Act, 2006"**

Today, I have signed into law H.R. 2528, the "Military Quality of Life and Veterans Affairs Appropriations Act, 2006." This Act appropriates funds for construction to support the operations of the United States Armed Forces and for military family housing. The Act also provides funds to support the medical care and other needs of our Nation's veterans.

The Constitution requires bicameral passage, and presentment to the President, of all congressional actions governing other branches, as the Supreme Court of the United States recognized in *INS v. Chadha* (1983), and thus prohibits conditioning executive branch action on the approval of congressional committees. Many provisions of the Act conflict with this requirement and therefore shall be construed as calling solely for notification, including the following: "Department of Defense Base Closure Account 2005," "Department of Veterans Affairs, Information Technology Systems," "Department of Veterans Affairs, Construction, Major Projects," and sections 128, 129, 130, 201, 211, 216, 225, 226, 227, and 229.

Several provisions of the Act require notice to the Congress, including sections 107, 110, 113, and 118, which require notice of the relocation of activities between military installations, initiation of a new installation abroad, U.S. military exercises involving \$100,000 in construction costs, and the initiation of certain types of programs. As the Supreme Court of the United States has made clear, the President's authority to classify and control access to information bearing on national security flows from the Constitution and does not depend upon a legislative grant of authority. Although notice can be provided in most situations as a matter of comity, situations may arise, especially in wartime, in which the President must act promptly under his constitutional grants of executive power and authority as Commander in Chief while protecting sensitive national security information. The executive branch shall construe these sections to require notice at a time and in a manner consistent with the President's constitutional authority.

The Constitution commits to the President the primary responsibility for conducting the foreign relations of the United States, including the exclusive responsibility for formulating the position of the United States in international fora and conducting negotiations with foreign nations. Section 118, which purports, through a reporting requirement, to direct the power of the Department of Defense to conduct the foreign relations of the United States, shall be construed as advisory, consistent with the Constitution's grant of such power to the President.

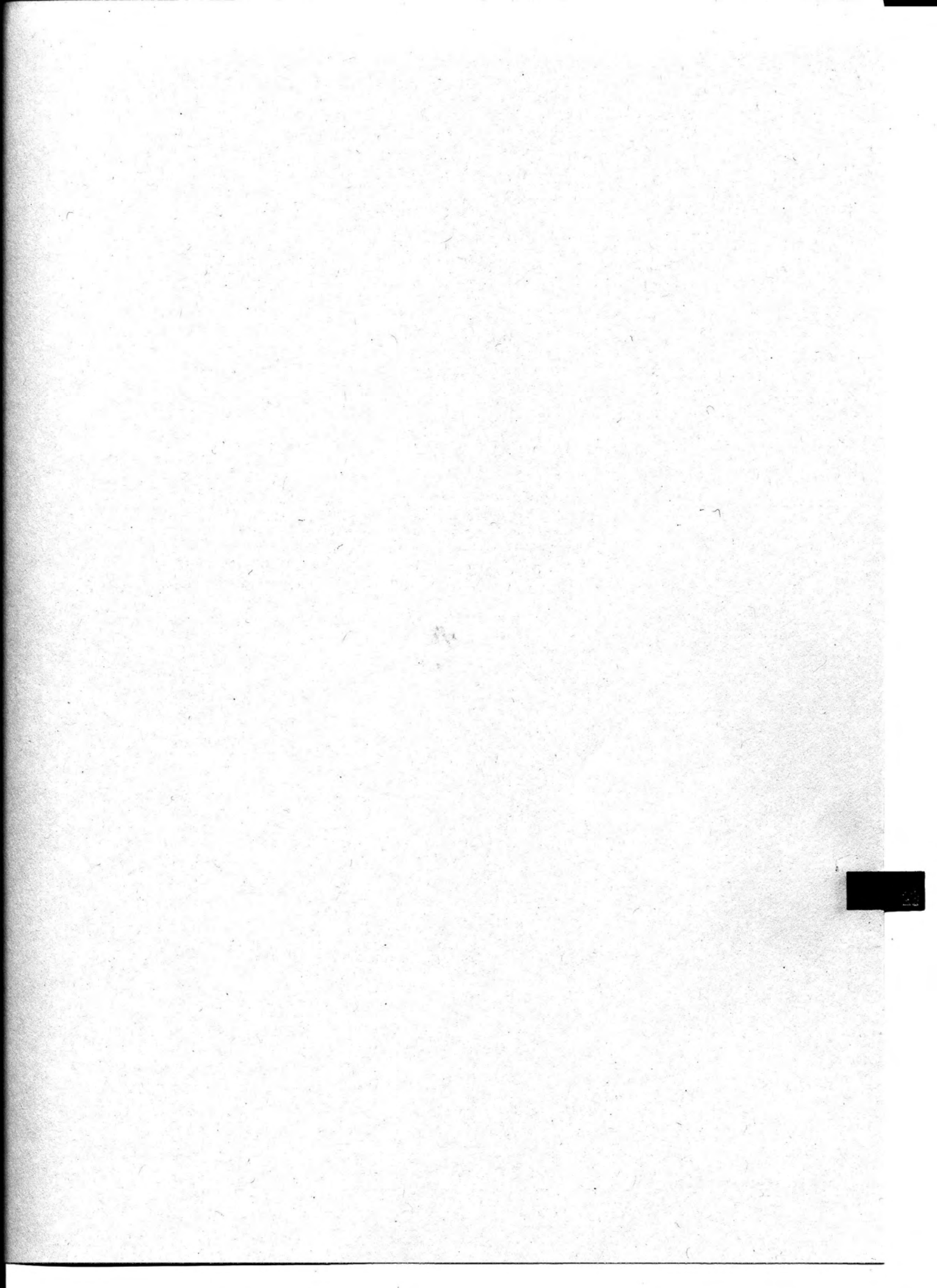
Section 126 of the Act purports to require Department of Defense officials to respond in writing within 21 days to any question or inquiry from certain legislative subcommittees. The executive branch shall construe this section in a manner consistent with the President's constitutional authority to supervise the unitary executive branch and to withhold information the disclosure of which could impair foreign relations, the national security, the deliberative processes of the Executive, or the performance of the Executive's constitutional duties.

GEORGE W. BUSH

THE WHITE HOUSE,

November 30, 2005.

###



Veterans Day, 2006

A Proclamation by the President of the United States of America

Through the generations, America's men and women in uniform have defeated tyrants, liberated continents, and set a standard of courage and idealism for the entire world. On Veterans Day, our Nation pays tribute to those who have proudly served in our Armed Forces.

To protect the Nation they love, our veterans stepped forward when America needed them most. In conflicts around the world, their sacrifice and resolve helped destroy the enemies of freedom and saved millions from oppression. In answering history's call with honor, decency, and resolve, our veterans have shown the power of liberty and earned the respect and admiration of a grateful Nation.

All of America's veterans have placed our Nation's security before their own lives, creating a debt that we can never fully repay. Our veterans represent the best of America, and they deserve the best America can give them.

As we recall the service of our Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen, we are reminded that the defense of freedom comes with great loss and sacrifice. This Veterans Day, we give thanks to those who have served freedom's cause; we salute the members of our Armed Forces who are confronting our adversaries abroad; and we honor the men and women who left America's shores but did not live to be thanked as veterans. They will always be remembered by our country.

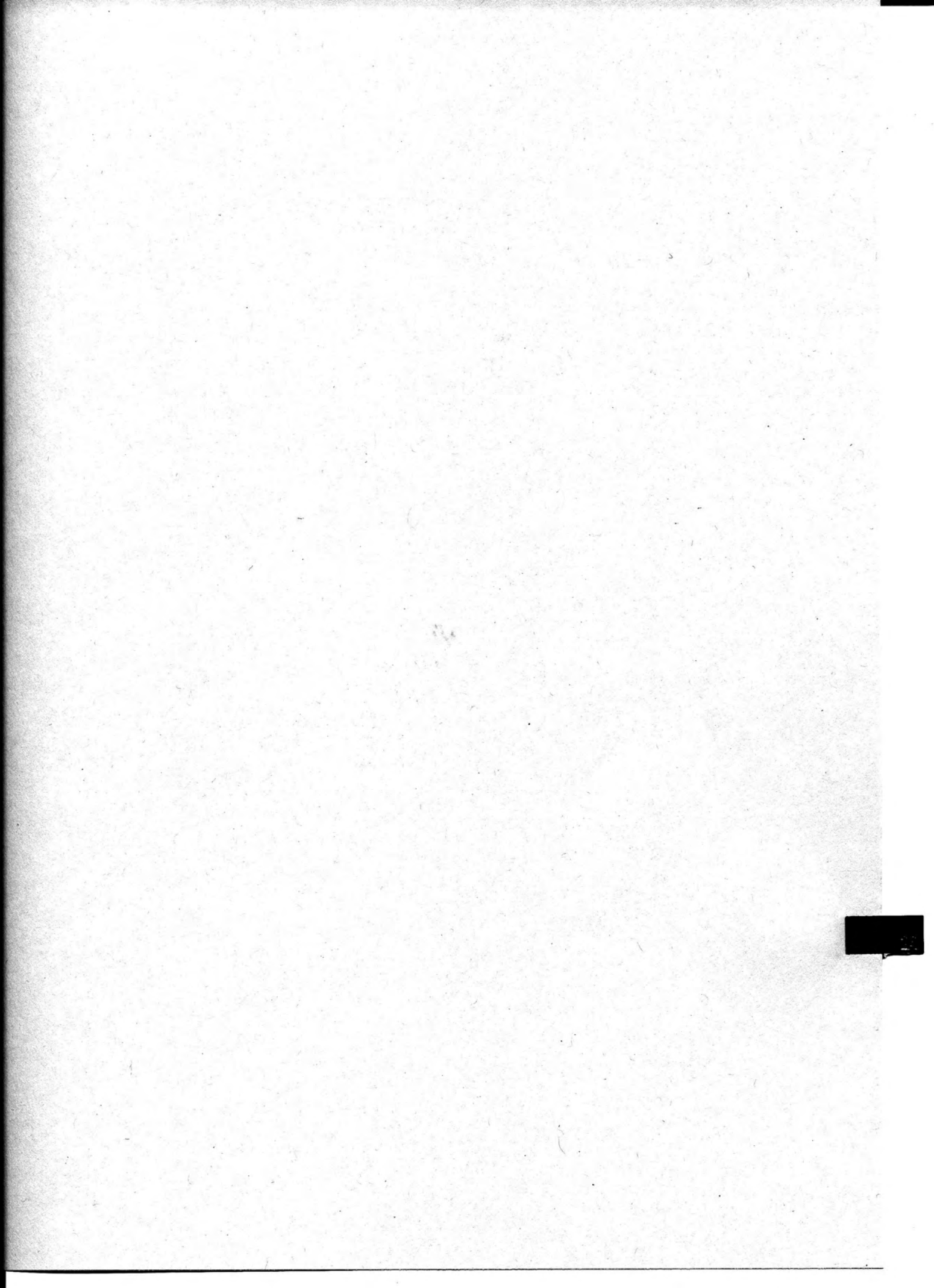
With respect for and in recognition of the contributions our service men and women have made to the cause of peace and freedom around the world, the Congress has provided (5 U.S.C. 6103(a)) that November 11 of each year shall be set aside as a legal public holiday to honor veterans.

NOW, THEREFORE, I, GEORGE W. BUSH, President of the United States of America, do hereby proclaim November 11, 2006, as Veterans Day and urge all Americans to observe November 5 through November 11, 2006, as National Veterans Awareness Week. I encourage all Americans to recognize the valor and sacrifice of our veterans through ceremonies and prayers. I call upon Federal, State, and local officials to display the flag of the United States and to support and participate in patriotic activities in their communities. I invite civic and fraternal organizations, places of worship, schools, businesses, unions, and the media to support this national observance with commemorative expressions and programs.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of October, in the year of our Lord two thousand six, and of the Independence of the United States of America the two hundred and thirty-first.

GEORGE W. BUSH

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

THE DIRECTOR

February 15, 2007

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.J. Res. 20 -- Making continuing appropriations for the fiscal year 2007, and for other purposes

Sponsors: Representative Obey (D), Wisconsin
Senator Byrd (D), West Virginia

Last Day for Action

Tuesday, February 27, 2007; however, your signature is recommended as soon as possible as funding for the agencies and accounts covered by the enrolled bill expires at midnight on February 15, 2007.

Purpose

H.J. Res. 20 provides FY 2007 appropriations through September 30, 2007, for continuing projects and activities of the Federal Government included in the nine unenacted appropriations bills. Full-year continuing appropriations are provided for: the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Justice, Labor, State and Other International Programs, Transportation, the Treasury, and Veterans Affairs; as well as the Environmental Protection Agency, the Executive Office of the President, the National Aeronautics and Space Administration; and many other small agencies.

In addition, funding is provided for the Department of Defense for activities under the Defense Health Program and the environmental restoration accounts; for basic allowance for housing within the military personnel accounts; for facilities, sustainment, restoration, and modernization activities within the operation and maintenance accounts; for Military Construction; and for Base Realignment and Closure (BRAC).

Agency Recommendations

Office of Management and Budget
Other affected departments
and agencies

Approval (Signing Statement attached)

Approval (Assumed)

Summary

Only two of the regular FY 2007 appropriations bills have been signed into law: the Department of Defense Appropriations Act (P.L. 109-289), and the Department of Homeland Security Appropriations Act (P.L. 109-295). The projects and activities that receive FY 2007 funding through these appropriations bills are not covered by the provisions of H.J. Res. 20.

On December 9, 2006, you signed into law P.L. 109-383, the third continuing resolution (CR), which provided funding at a level based on the lowest of the House-passed, Senate-passed, or current rate (approximately the FY 2006 level), the same funding level provided in the first and second enacted CRs, P.L. 109-289, division B and P.L. 109-369, respectively.

H.J. Res. 20 would further amend the terms and conditions of the previous CRs to provide for continuing projects and activities based on the following terms:

- The funding level is the amounts appropriated in FY 2006 for the nine remaining appropriations bills, as adjusted for certain across-the-board rescissions enacted for FY 2006.
- The funding level does not include any FY 2006 amount designated as an emergency requirement or for overseas contingency operations related to the Global War on Terror pursuant to the FY 2006 concurrent resolution of the budget (H. Con. Res. 95).
- While H.J. Res. 20 uses this basic CR formula for many programs, it also makes further adjustments to hundreds of individual programs.
- FY 2006 terms and conditions apply, except that report language earmarks are explicitly barred.
- The CR will run through the end of the fiscal year, September 30, 2007.

The enrolled bill includes provisions that address appropriated entitlements; advance appropriations for 2008 and 2009; and certain advance payments for the first quarter FY 2008. H.J. Res. 20 allows for new starts, unless they were specifically prohibited in FY 2006; identifies earmarks for elimination; and requires certain executive departments and agencies to provide the Appropriations Committees, within 30 days of enactment of this bill, an FY 2007 spending, expenditure, or operation plan at a level of detail below the account level.

Furthermore, the enrolled bill provides additional funding to cover half the cost of the 2.2 percent average pay raise you set for Federal civilian employees in 2007, currently estimated to be \$0.7 billion. Unless specified, the amounts referenced below do not include this increase.

H.J. Res. 20 passed the House of Representatives on January 31, 2007, by a vote of 286-140 and passed the Senate on February 14th by a vote of 81-15.

Overall Funding Level

H.J. Res. 20 provides \$463.9 billion (including the pay increase) in discretionary budget authority, \$9.3 billion more than FY 2006 enacted (excluding supplementals), and \$4.8 billion over your FY 2007 Budget request for programs funded in this bill. This is consistent with the Administration's agreement with the Congress that the overall total for all of the appropriations bills remain within the aggregate funding level of \$873 billion.

The enrolled bill funds many of your priority programs as follows:

- *Advanced Energy Initiative (AEI).* The bill will allow funding of most of your requested activities for AEI at or above the level proposed.
- *Veterans and DOD Health Care.* It fully funds your request for the Department of Veterans Affairs medical care and benefits delivery programs. The bill is about \$0.5 billion short of the resources needed for the Defense Health Program, but the Department is finding savings to offset the gap.
- *American Competitiveness Initiative.* The bill includes \$10.2 billion for the basic research portions of your ACI, \$0.5 billion above the FY 2006 enacted level but \$0.5 billion below your FY 2007 request.
- *Global AIDS.* It funds the program at \$4.6 billion, \$1.3 billion above the FY 2006 enacted level and \$527 million above your FY 2007 request. This funding level includes \$724 million for the Global Fund, \$424 million above the FY 2007 request. It also funds the Presidential Malaria Initiative (PMI) at \$248 million, \$25 million above your request.
- *Millennium Challenge Corporation.* The bill includes \$1.75 billion, equal to the FY 2006 enacted level and \$1.25 billion below your request.
- *Title I Grants to Local Educational Agencies.* The bill provides \$12.8 billion for the cornerstone program of No Child Left Behind \$125 million over the 2006 level and the 2007 request.
- *School Improvement Grants.* H.J. Res. 20 includes \$125 million, \$75 million below your 2007 request, to fund this priority program for the first time and provide additional assistance for schools that have not met their student achievement goals.
- *Pell Grants.* The enrolled bill includes \$15.5 billion in discretionary budget authority for the Student Financial Assistance account, \$615 million more than the 2006 level

and \$1.1 billion more than your 2007 request, to increase the Pell Grant maximum award by \$260, from \$4,050 to \$4,310. OMB scores the enrolled bill for \$0.2 billion more in discretionary budget authority than the bill provides, consistent with OMB's current technical and economic assumptions.

However, the enrolled bill does not fully fund Base Realignment and Closure (BRAC):

- *Base Realignment and Closure (BRAC).* The enrolled bill provides \$2.5 billion to implement the 2005 BRAC recommendations, which is \$3.1 billion less than your request. This shortfall will impact the Army's plans to grow its forces and the Department's global basing realignment initiatives by postponing redeployments of military personnel and their families from overseas stations to the United States. This delay will also make it difficult for the Department of Defense (DOD) to obtain savings already accounted for in the FY 2008 Budget request, and it will adversely affect communities preparing for these realignments.

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Department of Agriculture

The enrolled bill provides \$16.0 billion in discretionary budget authority, \$1.0 billion less than FY 2006 enacted, and \$0.3 billion more than your FY 2007 request. The bill eliminates \$166 million in the Agriculture Department's (USDA's) earmarked research grants, but moves the majority of the funds to formula grants to land-grant colleges. In addition, the bill eliminates the watershed and flood prevention operation program and a low-priority food aid loan program, as requested in your FY 2007 Budget.

Food Safety and Inspection Service. The bill provides \$887 million for the Food Safety and Inspection Service, fully funding meat and poultry inspection staffing needs.

Animal and Plant Health Inspection Service. USDA's avian flu prevention activities received \$34 million in the bill. When combined with existing balances in the account, USDA will have adequate funding to fully carry-out its pandemic avian flu activities.

Food and Agriculture Defense Initiative. OMB's current estimate is that the bill provides \$189 million for activities to safeguard America's food supply and agriculture sector under Homeland Security Presidential Directive 9. This funding level is essentially the same level as FY 2006 enacted (not including the lab construction in Ames, Iowa which was fully funded in FY 2006), and \$133 million less than your FY 2007 request.

Wetlands Reserve Program. The bill limits the number of acres USDA can enroll in the Wetlands Reserve Program to 150,000 acres. Your FY 2007 request would have allowed 250,000 acres to be enrolled, the maximum allowed by law.

Food and Nutrition Service. The enrolled bill provides \$5.5 billion in discretionary budget authority, slightly above the FY 2006 enacted level, and \$0.1 billion more than your FY 2007 request.

Food and Drug Administration (Department of Health and Human Services)

The enrolled bill provides \$1.6 billion in discretionary budget authority, \$0.1 billion more than FY 2006 enacted, and slightly above your FY 2007 request.

Energy and Water Development

Department of Energy

The enrolled bill provides \$23.6 billion in discretionary budget authority, which is slightly more than FY 2006 enacted and your FY 2007 request.

Power Marketing Administrations (PMAs). The enrolled bill provides \$0.2 billion in discretionary budget authority, the same level as FY 2006 enacted and slightly more than your FY 2007 request. The bill also prevents implementation of your Administration's Agency Interest Rates proposal in FY 2007 by requiring PMAs (excluding Bonneville) to use the "15-year Treasury yield" rate in calculating interest that will be charged for investments in future construction projects.

National Nuclear Security Administration. The enrolled bill prohibits the start of construction of the Mixed Oxide Fuel Fabrication Facility in South Carolina before August 1, 2007.

Office of Science. The enrolled bill underfunds your request for the Office of Science as part of the American Competitiveness Initiative by \$0.3 billion, the largest among ACI agencies. This could also result in less funding than request for basic energy research as part of the Advanced Energy Initiative.

Department of the Interior: Bureau of Reclamation (including the Central Utah Project)

The enrolled bill provides \$1.0 billion in discretionary budget authority, slightly more than FY 2006 enacted and \$0.1 billion more than your FY 2007 request.

Corps of Engineers

The enrolled bill provides \$5.3 billion in discretionary budget authority, virtually the same as the FY 2006 enacted and \$0.6 billion more than the FY 2007 request. The bill does not fund the Flood Control and Coastal Emergencies account, which is the account through which the Corps funds preparedness activities for its Emergency Management program.

Foreign Operations, Export Financing, and Related Programs

International Assistance Programs

The enrolled bill provides \$21.8 billion in discretionary budget authority, \$1.1 billion more than FY 2006 enacted, and \$1.9 billion less than your FY 2007 request.

The bill funds priority programs as follows:

- *Global AIDS.* It funds the program at \$4.6 billion, \$1.3 billion above the FY 2006 enacted level and \$527 million above your FY 2007 request. This funding level includes \$724 million for the Global Fund, \$424 million above the FY 2007 request.
- *Millennium Challenge Corporation.* The bill includes \$1.75 billion, equal to the FY 2006 enacted level and \$1.25 billion below your request.
- *Malaria.* The enrolled bill provides \$248 million, \$149 million above the FY 2006 enacted level and \$25 million above your FY 2007 request, for global malaria programs, including your Malaria Initiative in Africa.
- *Iraq.* The enrolled bill does not directly cut funding for Iraq but limits the State Departments flexibility to fund Iraq programs by reducing funds available through the Economic Support Fund account, which is funded at \$2.5 billion, \$0.1 billion below the FY 2006 enacted level and \$0.7 billion below your FY 2007 request.
- *Afghanistan.* The enrolled bill directs that a minimum of \$1 billion should be made available for assistance to Afghanistan in the base budget. This amount is \$57 million above the FY 2006 enacted level and \$141 billion below the FY 2007 request.
- *Voluntary Peacekeeping.* The enrolled bill provides \$223 million, \$50 million above the FY 2006 enacted level for the African Union Mission in Darfur and \$22 million above your FY 2007 request.
- *Refugees.* The enrolled bill provides \$833 million for the primary migration and refugee assistance account and \$55 million for the emergency refugee assistance account, \$50 million and \$25 million, respectively, above the FY 2006 enacted level. These levels are equal to your FY 2007 request.
- *Rescission.* The enrolled bill rescinds \$200 million in prior year, unspent funds that had been provided for direct economic aid to the Government of Egypt. These funds have not been utilized because the Government of Egypt has been slow to meet agreed upon benchmarks to reform the financial sector reforms.

Department of the Interior, Environment, and Related Agencies

Department of the Interior

The enrolled bill provides the Department of the Interior (excluding the Bureau of Reclamation) \$9.8 billion in discretionary budget authority, \$0.1 billion more than FY 2006 enacted, and nearly \$0.6 billion more than your FY 2007 request. The bill generally funds Administration priorities at adequate levels.

National Park Operations. The bill includes a \$40 million increase over the FY 2006 enacted level for National Park operations.

Historic Preservation Fund. The enrolled bill includes a drafting error that reduces funding in the Historic Preservation Fund account for State Historic Preservation Offices, possibly requiring furloughs later this fiscal year. The Congress is aware of the error and intends to include a technical correction in a later bill.

Office of Special Trustee for American Indians. The bill repeats language to extend indefinitely the statute of limitations for filing claims over mismanagement of tribal and individual Indian accounts. The Administration sought to delete this language, because recent court opinions can be read to interpret the provision as having the unintended effect of reviving previously barred lawsuits, in addition to extending the time limit for filing such lawsuits indefinitely.

Forest Service (Department of Agriculture)

The enrolled bill provides \$4.3 billion in discretionary budget authority, \$0.1 billion more than FY 2006 enacted, and \$0.2 billion more than your FY 2007 request. The bill does not include reductions in construction and land acquisition programs proposed in your FY 2007 Budget.

Northwest Forest Plan. The bill provides sufficient funding to allow the Forest Service to fully meet the timber production goal of 800 million board feet in the Northwest Forest Plan.

Wildfire Suppression. The enrolled bill provides the requested 10-year average of \$741 million.

Indian Health Service (Department of Health and Human Services)

The enrolled bill provides \$3.2 billion in discretionary budget authority, \$0.1 billion more than FY 2006 enacted, and nearly at the FY 2007 request.

Environmental Protection Agency

The enrolled bill includes \$7.7 billion in discretionary funding for the agency, \$0.9 billion more than the FY 2006 enacted, and \$0.4 billion more than your FY 2007 request.

Clean Water State Revolving Fund. The bill provides \$1.1 billion in discretionary budget authority for the program's capitalization, which is \$0.2 billion above the FY 2006 enacted level and \$0.4 billion above your FY 2007 request.

Diesel Emissions Reduction Grants. The bill provides \$7 million, which is \$43 million below the request and the same as FY 2006 enacted. FY 2006 appropriations language limits the use of this funding to school bus retrofits and replacements, whereas the program, as authorized by the Energy Policy Act, is designed to have broader applicability.

Asia Pacific Partnership. The enrolled bill does not specifically fund the Environmental Protection Agency's request for \$5 million, the State Department's request for \$30 million, the Department of Energy's request for \$15 million, or the Department of Commerce's request for \$2 million. However, the program may be able to be funded through reallocation of funding and reprogramming.

Smithsonian Institution

The enrolled bill provides \$632 million, an increase of \$17 million above the FY 2006 enacted level, but \$12 million below the FY 2007 Budget.

Departments of Labor, Health and Human Services, Education, and Related Agencies

Department of Labor

The enrolled bill provides \$11.7 billion in discretionary budget authority, \$0.4 billion more than FY 2006 enacted, and almost \$0.8 billion more than your FY 2007 request. Most of the increases above the request are in job training: the bill provides \$664 million, or 15 percent, more than the request for the Department of Labor's (DOL's) training and employment services programs. The bill rejects most of your proposed terminations and reductions of ineffective and duplicative programs (as described below). The bill also includes a rider that would prevent DOL from finalizing its proposed job training and Trade Adjustment Assistance regulations.

Community-Based Job Training Grants. The bill provides \$25 million less than the \$150 million request for Community-based Job Training Grants, and funds this program from the Dislocated Worker National Reserve.

Prisoner Re-entry Initiative. The bill gives the Administration sufficient funding to support the Department of Labor's portion of your Prisoner Re-entry Initiative at your full request of \$20 million.

Terminations and Reductions. The bill specifies funding at roughly the 2006 level for most of the programs the program had proposed to reduce or terminate, in particular the International Labor Affairs Bureau, the Migrant and Seasonal Farmworkers training program, the Office of Disability Employment Policy, and the Community Service Employment for Older Americans program (at an increased level).

Department of Health and Human Services

The enrolled bill provides \$65.7 billion in discretionary budget authority, \$1.2 billion more than FY 2006 enacted, and \$3.0 billion more than your FY 2007 request. In total, the enrolled bill provides \$29.0 billion for the National Institutes of Health, \$310 million above your FY 2008 request.

Administration for Children and Families. The bill provides \$13.8 billion in discretionary budget authority for the Administration for Children and Families, \$142 million more than FY 2006 enacted, and \$1,552 million more than your FY 2007 request.

Administration on Aging. The enrolled bill provides \$1.38 billion in discretionary budget authority for the Administration on Aging, \$20 million more than FY 2006 enacted, and \$48 million more than your FY 2007 request.

Department of Education

OMB scores the bill as providing \$57.7 billion in discretionary budget authority, \$1.1 billion more than FY 2006 enacted, after accounting for changes in advance appropriations, and \$3.3 billion more than your FY 2007 request.

The enrolled bill specifies funding for the following high priority programs:

- *Title I Grants to Local Educational Agencies.* \$12.8 billion for the cornerstone program of No Child Left Behind \$125 million over the 2006 level and your FY 2007 request.
- *School Improvement Grants.* \$125 million, \$75 million below the FY 2007 request, to fund this priority program for the first time and provide additional assistance for schools that have not met their student achievement goals.
- *Individuals with Disabilities Education Act (IDEA) Part B Grants to States.* \$10.8 billion for this program, which helps students with special needs reach their full potential, \$200 million over the 2006 level and \$100 million over your request.
- *Pell Grants.* \$15.5 billion in discretionary budget authority for the Student Financial Assistance account, \$615 million more than the 2006 level and \$1.1 billion more than your 2007 request, to increase the Pell Grant maximum award by \$260, from \$4,050

to \$4,310. OMB scores the enrolled bill for \$0.2 billion more in discretionary budget authority than the bill provides, consistent with OMB's current technical and economic assumptions.

- *Teacher Incentive Fund (TIF)*. \$200 thousand, \$98.8 million below the 2006 level and your 2007 request for this Presidential initiative, which helps school districts and States develop and implement performance-based compensation systems to reward teachers and principals for raising student achievement and for serving in high-need schools. At this level, Education may have to delay awarding new TIF grants until Fiscal Year 2008.

The enrolled bill does not provide explicit funding for a number of new initiatives proposed in your 2007 Budget, including the education components of the American Competitiveness Initiative, America's Opportunity Scholarships for Kids, and the National Security Language Initiative. The bill also does not explicitly fund or specify funding increases for other priority programs funded in 2006 that the 2007 Budget proposed to expand, such as Striving Readers, Statewide Data Systems, Student Drug Testing, Reach Out and Read, and Teach for America.

Corporation for National and Community Service

The enrolled bill provides \$0.9 billion in discretionary budget authority, \$16 million less than FY 2006 enacted level, and \$33 million more than your FY 2007 request.

Social Security Administration – Limitation on Administrative Expenses

The enrolled bill provides the Social Security Administration (SSA) \$9.4 billion in discretionary budget authority, \$149 million more than FY 2006 enacted, and \$205 million less than your FY 2007 request. At this level, SSA will be able to operate through the current year without reductions-in-force or furloughs, but will need to defer some important work that had been planned under your FY 2007 request, including reductions in the amount of program integrity work.

Military Quality of Life and Veterans Affairs

Defense Health Program

The enrolled bill provides \$21.2 billion for the Defense Health Program, which is about \$0.5 billion short of the resources needed. The Department is in the process of outlining savings in the system that can cover this shortfall.

Base Realignment and Closure (BRAC)

The enrolled bill provides \$2.5 billion to implement the 2005 BRAC recommendations, which is \$3.1 billion less than your request. This shortfall will impact the Army's plans to grow its forces and the Department's global basing realignment initiatives by postponing redeployments of military personnel and their families from overseas stations to the United States. This delay will also make it difficult for the Department of Defense (DOD) to obtain savings already accounted for in the FY 2008 Budget request, and it will adversely affect communities preparing for these realignments.

Military Construction and Family Housing

The enrolled bill provides \$10.0 billion, \$0.5 billion below your FY 2007 request, to begin construction of operational facilities and family housing units. Unlike prior 2007 continuing resolutions, this bill allows DOD to begin new construction projects, which will provide the infrastructure to accomplish the Army Modularity and Global Posture Initiatives.

Department of Veterans Affairs

The enrolled bill fully funds veterans programs by providing \$36.3 billion in discretionary budget authority, \$3.6 billion more than the FY 2006 enacted level and \$0.2 billion less than your FY 2007 request. In addition, funding for the Department for the 2007 pay raise is currently estimated to be \$140 million.

Science, State, Justice, Commerce, and Related Agencies

Department of Commerce

The enrolled bill provides \$6.4 billion in discretionary budget authority, slightly above the FY 2006 enacted level, and \$0.3 billion more than your FY 2007 request. The bill fully funds most core Commerce programs including preparations for the decennial census, though it provides a smaller increase for the National Institute of Standards and Technology laboratories than requested as part of the American Competitiveness Initiative. It includes \$79 million of unrequested funding for the Advanced Technology Program, which had been on a path for termination in the regular FY 2007 bills as the Administration proposed. However, the bill does eliminate \$140 million of earmarks from the FY 2006 enacted bill for university construction projects.

Department of Justice

The bill includes \$20.9 billion in discretionary budget authority, \$1.2 billion more than FY 2006 enacted, and \$1.4 billion more than your FY 2007 request. The bill does not include reductions to State and local assistance grant programs proposed in the FY 2007 Budget. However, the bill provides the funding requested for the Federal Bureau of Investigation and

other Department of Justice components for Federal efforts to investigate, prosecute, and incarcerate criminals.

Department of State and Other International Programs

The enrolled bill provides \$9.6 billion in discretionary budget authority, slightly above FY 2006 enacted, and \$0.6 billion less than the FY 2007 request.

Diplomatic and Consular Programs. The bill provides \$4.3 billion, slightly above the FY 2006 enacted level and \$0.3 billion below your FY 2007 request.

UN Peacekeeping. The enrolled bill provides \$1.1 billion, \$0.1 billion above the FY 2006 enacted level and equal to the FY 2007 request.

International Organizations. The bill provides \$1.2 billion, equal to the FY 2006 enacted level and \$0.1 billion below your FY 2007 request.

Educational and Cultural Exchanges. The enrolled bill provides \$0.4 billion, slightly above the FY 2006 enacted level and slightly below your FY 2007 request.

National Aeronautics and Space Administration

The enrolled bill includes \$16.2 billion in discretionary budget authority, which is slightly below the FY 2006 enacted level, and \$0.5 billion less than your FY 2007 request. The bill specifies \$3.4 billion in discretionary budget authority for the Exploration program, \$0.6 billion less than the FY 2007 request.

Small Business Administration

The bill provides approximately \$570 million for the Small Business Administration (SBA), which fully funds most major SBA programs while eliminating nearly \$90 million of earmarks in the 2006 appropriation. For administrative costs of the disaster loan program, the enrolled bill provides appropriations that may not be sufficient to last the entire fiscal year. The bill does not provide new funds for disaster loan subsidy costs, which in all likelihood have sufficient carryover balances to last through FY 2008.

Federal Communications Commission

The bill reinstates for another year the temporary exemption of the Universal Service Fund programs from the Anti-Deficiency Act. The Administration had opposed this exemption from standard Government-wide financial management requirements.

Securities and Exchange Commission

The enrolled bill provides \$863 million in discretionary budget authority for the Securities and Exchange Commission (SEC), equal to the FY 2006 enacted level, and \$28 million less than your FY 2007 request. The enrolled bill permits SEC to reduce fees collected from individual investors and the investing community significantly without affecting SEC oversight, as assumed in the 2007 Budget and authorized by the Investor and Capital Markets Relief Act of 2002. Fee rates are expected to decrease by at least 50 percent in FY 2007, resulting in estimated savings to investors and the economy of \$525 million in FY 2007 relative to FY 2006. Reducing fee collections will allow more capital to remain in the financial markets and could encourage growth in private savings and the economy in general.

Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies

Department of Housing and Urban Development

The enrolled bill provides \$36.1 billion in discretionary budget authority for the Department of Housing and Urban Development (HUD), \$2.1 billion more than FY 2006 and \$2.5 billion more than your FY 2007 request. Overall, it includes \$2 billion more in unrequested program increases above the FY 2007 request, including an additional \$0.7 billion for the Community Development Block Grant program, without adopting your requested reforms to the program to better target aid to the neediest communities. The bill also provides an additional \$0.6 billion for Public Housing, \$0.3 billion more for Section 8 Project-Based Housing, and an additional \$0.3 billion above your request for Elderly and Disabled housing programs. H.J. Res. 20 does not fully fund your request for Homeless Assistance Grants, HOME, or the American Dream Downpayment Initiative, all of which are Administration priorities. However, the bill lifts the statutory cap on Home Equity Conversion Mortgages to prevent suspension of the program, as requested.

H.J. Res. 20 funds the Section 8 Housing Choice Voucher program at the FY 2007 requested level of \$15.9 billion, \$0.5 billion above the FY 2006 level, and largely adopts the FY 2008 Budget proposal to allocate funding based on the most recent cost data. However, it does so without affording Public Housing Authorities (PHAs) the opportunity to first use unspent funds to house more low-income families as the 2008 Budget requests, and does not include an explicit exception for PHAs in the Gulf States that are using Section 8 voucher funds to repair facilities damaged by Hurricanes Katrina and Rita.

Department of Transportation

The enrolled bill provides \$62.3 billion in budgetary resources for the Department of Transportation (DOT) including \$51.1 billion in obligation limitations and \$11.3 billion in discretionary budget authority. This total is \$0.5 billion more than FY 2006 enacted and \$1.3 billion less than your FY 2007 request. However, the enrolled bill includes an offset of \$3.5

billion from rescinding excess highway contract authority; excluding this rescission, the bill provides more than \$2 billion above your request for DOT.

Federal Aviation Administration (FAA). The enrolled bill provides \$14.5 billion in budgetary resources for FAA, which is \$0.2 billion more than FY 2006 enacted and \$1.7 billion more than your FY 2007 request. The Airport Improvement Program was funded at \$3.5 billion, the same as in FY 2006, but \$0.8 billion above the FY 2007 request. The enrolled bill also provides \$8.3 billion for FAA's operations, slightly below the FY 2007 request.

Surface Transportation. For DOT's surface transportation programs, including Federal highway, transit, and highway safety programs, the enrolled bill provides \$49.3 billion in budgetary resources. This amount is \$3.9 billion more than the FY 2006 enacted level and equal to your FY 2007 request, and is consistent with the amounts authorized by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

Amtrak. The enrolled bill provides \$1.3 billion for Amtrak, which is equal to the FY 2006 enacted level and \$0.4 billion more than your FY 2007 request.

Department of the Treasury

The enrolled bill provides \$11.6 billion in discretionary budget authority, virtually at the FY 2006 enacted, and slightly below your FY 2007 request.

Internal Revenue Service. The enrolled bill provides \$10.5 billion in discretionary budget authority, virtually the FY 2006 enacted, and slightly below your FY 2007 request. This level will allow IRS to maintain taxpayer service levels but will likely result in some reduction in tax enforcement. The enrolled bill does include the program reduction proposed in your FY 2007 request for IRS information technology modernization.

Departmental Offices. The enrolled bill provides \$215 million in discretionary budget authority for the Salaries and Expenses account, including \$45 million for Terrorism and Financial Intelligence. The total for Departmental Offices is \$21 million more than FY 2006 enacted, and \$9 million less than the FY 2007 request. For Terrorism and Financial Intelligence the total is \$5 million more than FY 2006 enacted, and equal to your FY 2007 request.

District of Columbia

The enrolled bill provides \$0.6 billion in discretionary budget authority, virtually at the FY 2006 enacted and the FY 2007 requested levels. The funds provide priority education projects, including the District of Columbia Opportunity Scholarship Program, as well as needed funds to upgrade and enhance public transportation capacity, including the \$20 million requested for the Navy Yard Metro station that will also serve the new baseball stadium.

Office of Personnel Management

The enrolled bill provides a total of \$0.2 billion for the Office of Personnel Management, which includes funding for a number of E-Gov projects and automating the retirement recordkeeping system.

General Services Administration

The enrolled bill provides \$4 million in net discretionary budget authority for the General Services Administration, \$0.7 billion less than FY 2006 enacted level and \$0.4 billion less than your FY 2007 request. The enrolled bill includes a prohibition on the development of the St. Elizabeths campus as a headquarters for the Department of Homeland Security (DHS); your request would have provided more than \$300 million for construction of the Coast Guard's new headquarters on the site. It is disappointing that the Congress has chosen to delay this important project, which will help consolidate DHS' multiple locations and streamline its efforts.

Judicial Branch

The enrolled bill provides \$5.5 billion in discretionary budget authority, \$0.2 billion more than FY 2006 enacted and \$0.4 billion less than the Judicial Branch's FY 2007 request.

Department of Homeland Security

The enrolled bill provides \$155.6 million for the Transportation Security Administration to liquidate obligations previously incurred.

Legislative Branch

The enrolled bill provides \$3.8 billion in discretionary budget authority, slightly below the FY 2006 enacted level, but \$0.5 billion less than the Legislative Branch 2007 request.

Constitutional Concerns

As reflected in the attached signing statement, several provisions of the bill purport to require executive branch officials to obtain approval of congressional committees prior to the execution of the laws. These include section 20622, 21058, and 21062 in division B of the Consolidated Appropriations Resolution, 2007 as it would be enacted by section 2 of the joint resolution. Since these provisions would contradict the Supreme Court's ruling in *INS v. Chadha*, they should be construed as requiring only notification of the Congress.

Recommendation

H.J. Res. 20 provides funding and authority to continue Government operations through the remainder of FY 2007 while holding overall FY 2007 funding to the agreed upon spending limit. I join with the heads of the affected Departments and agencies in recommending that you sign the enrolled bill.

Sincerely,

A handwritten signature in black ink that reads "Rob Portman". The signature is written in a cursive, flowing style with a prominent "R" and a long, sweeping underline.

Rob Portman

Attachment

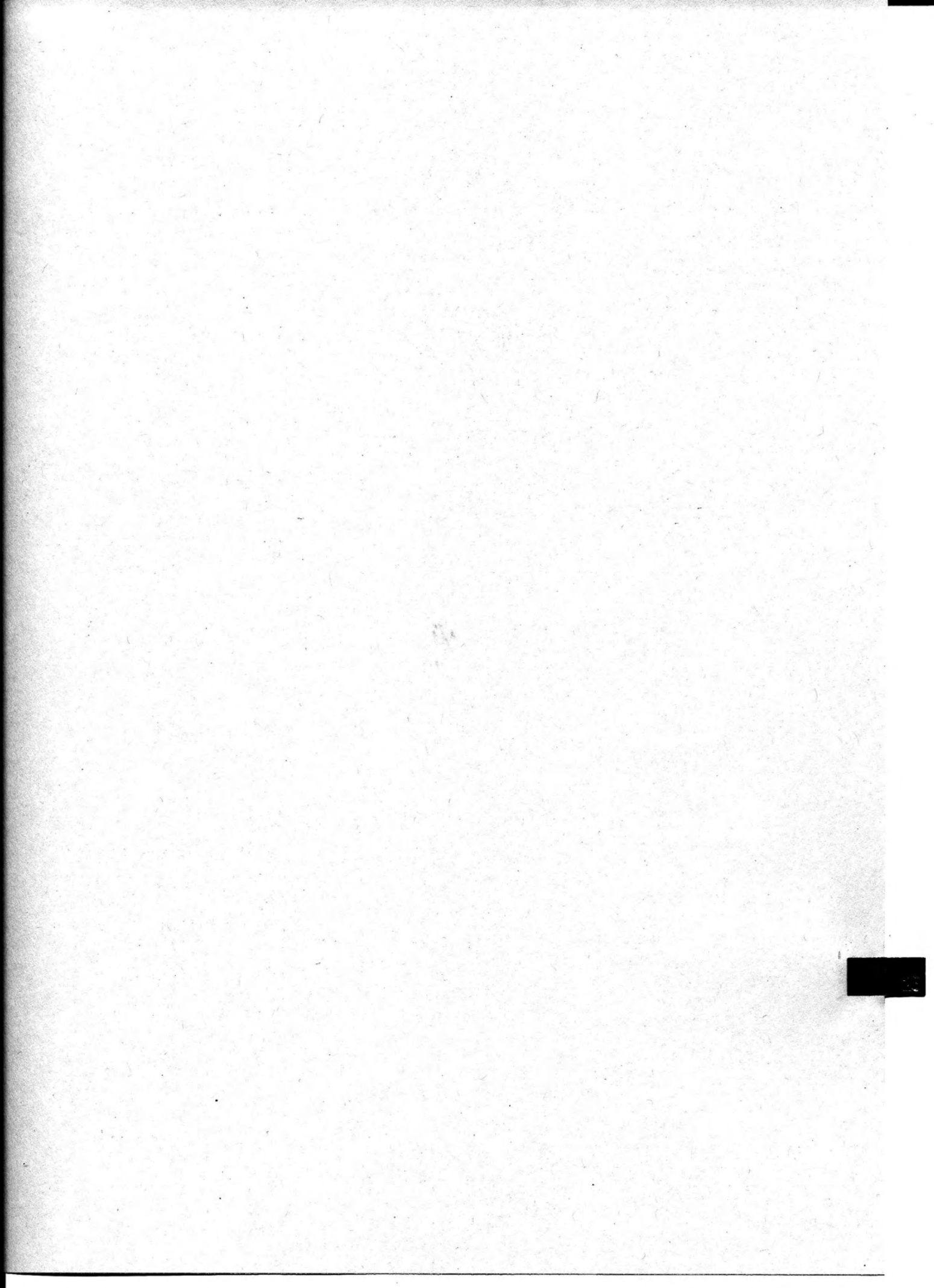
For Immediate Release
Office of the Press Secretary
February 15, 2007

President's Statement on Fiscal Year 2007 Appropriations

I am pleased that the final bill for the Fiscal Year 2007 appropriations process complies with the overall spending limits that I set. That means for the third year in a row, domestic discretionary spending will be below inflation. However, I remain concerned that the bill, in many cases, reflects the wrong spending priorities. In particular, the bill shifts funding needed for our Armed Forces to unrequested domestic programs. The Congress should work to address these priorities without adding to the deficit.

I am pleased this legislation makes progress on earmarks, but there is more to do. As the Congress takes up the 2008 Budget, it should continue to take steps to improve transparency for all earmarks, provide the option of an up or down vote for each earmark, and reduce the number and cost of earmarks by at least half.

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Soldiers Face Neglect, Frustration At Army's Top Medical Facility

By Dana Priest and Anne Hull
Washington Post Staff Writers
Sunday, February 18, 2007; A01

Behind the door of Army Spec. Jeremy Duncan's room, part of the wall is torn and hangs in the air, weighted down with black mold. When the wounded combat engineer stands in his shower and looks up, he can see the bathtub on the floor above through a rotted hole. The entire building, constructed between the world wars, often smells like greasy carry-out. Signs of neglect are everywhere: mouse droppings, belly-up cockroaches, stained carpets, cheap mattresses.

This is the world of Building 18, not the kind of place where Duncan expected to recover when he was evacuated to Walter Reed Army Medical Center from Iraq last February with a broken neck and a shredded left ear, nearly dead from blood loss. But the old lodge, just outside the gates of the hospital and five miles up the road from the White House, has housed hundreds of maimed soldiers recuperating from injuries suffered in the wars in Iraq and Afghanistan.

The common perception of Walter Reed is of a surgical hospital that shines as the crown jewel of military medicine. But 5 1/2 years of sustained combat have transformed the venerable 113-acre institution into something else entirely -- a holding ground for physically and psychologically damaged outpatients. Almost 700 of them -- the majority soldiers, with some Marines -- have been released from hospital beds but still need treatment or are awaiting bureaucratic decisions before being discharged or returned to active duty.

They suffer from brain injuries, severed arms and legs, organ and back damage, and various degrees of post-traumatic stress. Their legions have grown so exponentially -- they outnumber hospital patients at Walter Reed 17 to 1 -- that they take up every available bed on post and spill into dozens of nearby hotels and apartments leased by the Army. The average stay is 10 months, but some have been stuck there for as long as two years.

Not all of the quarters are as bleak as Duncan's, but the despair of Building 18 symbolizes a larger problem in Walter Reed's treatment of the wounded, according to dozens of soldiers, family members, veterans aid groups, and current and former Walter Reed staff members interviewed by two Washington Post reporters, who spent more than four months visiting the outpatient world without the knowledge or permission of Walter Reed officials. Many agreed to be quoted by name; others said they feared Army retribution if they complained publicly.

While the hospital is a place of scrubbed-down order and daily miracles, with medical advances saving more soldiers than ever, the outpatients in the Other Walter Reed encounter a messy bureaucratic battlefield nearly as chaotic as the real battlefields they faced overseas.

On the worst days, soldiers say they feel like they are living a chapter of "Catch-22." The wounded manage other wounded. Soldiers dealing with psychological disorders of their own have been put in charge of others at risk of suicide.

Disengaged clerks, unqualified platoon sergeants and overworked case managers fumble with simple needs: feeding soldiers' families who are close to poverty, replacing a uniform ripped off by medics in the desert sand or helping a brain-damaged soldier remember his next appointment.

"We've done our duty. We fought the war. We came home wounded. Fine. But whoever the people are back here who are supposed to give us the easy transition should be doing it," said Marine Sgt. Ryan Groves, 26, an amputee who lived at Walter Reed for 16 months. "We don't know what to do. The people who are supposed to know don't have the answers. It's a nonstop process of stalling."

Soldiers, family members, volunteers and caregivers who have tried to fix the system say each mishap seems trivial by itself, but the cumulative effect wears down the spirits of the wounded and can stall their recovery.

"It creates resentment and disenfranchisement," said Joe Wilson, a clinical social worker at Walter Reed. "These soldiers will withdraw and stay in their rooms. They will actively avoid the very treatment and services that are meant to be helpful."

Danny Soto, a national service officer for Disabled American Veterans who helps dozens of wounded service members each week at Walter Reed, said soldiers "get awesome medical care and their lives are being saved," but, "Then they get into the administrative part of it and they are like, 'You saved me for what?' The soldiers feel like they are not getting proper respect. This leads to anger."

This world is invisible to outsiders. Walter Reed occasionally showcases the heroism of these wounded soldiers and emphasizes that all is well under the circumstances. President Bush, former defense secretary Donald H. Rumsfeld and members of Congress have promised the best care during their regular visits to the hospital's spit-polished amputee unit, Ward 57.

"We owe them all we can give them," Bush said during his last visit, a few days before Christmas. "Not only for when they're in harm's way, but when they come home to help them adjust if they have wounds, or help them adjust after their time in service."

Along with the government promises, the American public, determined not to repeat the divisive Vietnam experience, has embraced the soldiers even as the war grows more controversial at home. Walter Reed is awash in the generosity of volunteers, businesses and celebrities who donate money, plane tickets, telephone cards and steak dinners.

Yet at a deeper level, the soldiers say they feel alone and frustrated. Seventy-five percent of the troops polled by Walter Reed last March said their experience was "stressful." Suicide attempts and unintentional overdoses from prescription drugs and alcohol, which is sold on post, are part of the narrative here.

Vera Heron spent 15 frustrating months living on post to help care for her son. "It just absolutely took forever to get anything done," Heron said. "They do the paperwork, they lose the paperwork. Then they have to redo the paperwork. You are talking about guys and girls whose lives are disrupted for the rest of their lives, and they don't put any priority on it."

Family members who speak only Spanish have had to rely on Salvadoran housekeepers, a Cuban bus driver, the Panamanian bartender and a Mexican floor cleaner for help. Walter Reed maintains a list of bilingual staffers, but they are rarely called on, according to soldiers and families and Walter Reed staff members.

Evis Morales's severely wounded son was transferred to the National Naval Medical Center in Bethesda for surgery shortly after she arrived at Walter Reed. She had checked into her government-paid room on post, but she slept in the lobby of the Bethesda hospital for two weeks because no one told her there is a free shuttle between the two facilities. "They just let me off the bus and said 'Bye-bye,' " recalled Morales, a Puerto Rico resident.

Morales found help after she ran out of money, when she called a hotline number and a Spanish-speaking operator happened to answer.

"If they can have Spanish-speaking recruits to convince my son to go into the Army, why can't they have Spanish-speaking translators when he's injured?" Morales asked. "It's so confusing, so disorienting."

Soldiers, wives, mothers, social workers and the heads of volunteer organizations have complained repeatedly to the military command about what one called "The Handbook No One Gets" that would explain life as an outpatient. Most soldiers polled in the March survey said they got their information from friends. Only 12 percent said any Army literature had been helpful.

"They've been behind from Day One," said Rep. Thomas M. Davis III (R-Va.), who headed the House Government Reform Committee, which investigated problems at Walter Reed and other Army facilities. "Even the stuff they've fixed has only been patched."

Among the public, Davis said, "there's vast appreciation for soldiers, but there's a lack of focus on what happens to them" when they return. "It's awful."

Maj. Gen. George W. Weightman, commander at Walter Reed, said in an interview last week that a major reason outpatients stay so long, a change from the days when injured soldiers were discharged as quickly as possible, is that the Army wants to be able to hang on to as many soldiers as it can, "because this is the first time this country has fought a war for so long with an all-volunteer force since the Revolution."

Acknowledging the problems with outpatient care, Weightman said Walter Reed has taken steps over the past year to improve conditions for the outpatient army, which at its peak in summer 2005 numbered nearly 900, not to mention the hundreds of family members who come to care for them. One platoon sergeant used to be in charge of 125 patients; now each one manages 30. Platoon sergeants with psychological problems are more carefully screened. And officials have increased the numbers of case managers and patient advocates to help with the complex disability benefit process, which Weightman called "one of the biggest sources of delay."

And to help steer the wounded and their families through the complicated bureaucracy, Weightman said, Walter Reed has recently begun holding twice-weekly informational meetings. "We felt we were pushing information out before, but the reality is, it was overwhelming," he said. "Is it fail-proof? No. But we've put more resources on it."

He said a 21,500-troop increase in Iraq has Walter Reed bracing for "potentially a lot more" casualties.

Bureaucratic Battles

The best known of the Army's medical centers, Walter Reed opened in 1909 with 10 patients. It has treated the wounded from every war since, and nearly one of every four service members injured in Iraq and Afghanistan.

The outpatients are assigned to one of five buildings attached to the post, including Building 18, just across from the front gates on Georgia Avenue. To accommodate the overflow, some are sent to nearby hotels and apartments. Living conditions range from the disrepair of Building 18 to the relative elegance of Mologne House, a hotel that opened on the post in 1998, when the typical guest was a visiting family member or a retiree on vacation.

The Pentagon has announced plans to close Walter Reed by 2011, but that hasn't stopped the flow of casualties. Three times a week, school buses painted white and fitted with stretchers and blackened windows stream down Georgia Avenue. Sirens blaring, they deliver soldiers groggy from a pain-relief cocktail at the end of their long trip from Iraq via Landstuhl Regional Medical Center in Germany and Andrews Air Force Base.

Staff Sgt. John Daniel Shannon, 43, came in on one of those buses in November 2004 and spent several weeks on the fifth floor of Walter Reed's hospital. His eye and skull were shattered by an AK-47 round. His odyssey in the Other Walter Reed has lasted more than two years, but it began when someone handed him a map of the grounds and told him to find his room across post.

A reconnaissance and land-navigation expert, Shannon was so disoriented that he couldn't even find north. Holding the map, he stumbled around outside the hospital, sliding against walls and trying to keep himself upright, he said. He asked anyone he found for directions.

Shannon had led the 2nd Infantry Division's Ghost Recon Platoon until he was felled in a gun battle in Ramadi. He liked the solitary work of a sniper; "Lone Wolf" was his call name. But he did not expect to be left alone by the Army after such serious surgery and a diagnosis of post-traumatic stress disorder. He had appointments during his first two weeks as an outpatient, then nothing.

"I thought, 'Shouldn't they contact me?' " he said. "I didn't understand the paperwork. I'd start calling phone numbers, asking if I had appointments. I finally ran across someone who said: 'I'm your case manager. Where have you been?'"

"Well, I've been here! Jeez Louise, people, I'm your hospital patient!"

Like Shannon, many soldiers with impaired memory from brain injuries sat for weeks with no appointments and no help from the staff to arrange them. Many disappeared even longer. Some simply left for home.

One outpatient, a 57-year-old staff sergeant who had a heart attack in Afghanistan, was given 200 rooms to supervise at the end of 2005. He quickly discovered that some outpatients had left the post months earlier and would check in by phone. "We called them 'call-in patients,' " said

Staff Sgt. Mike McCauley, whose dormant PTSD from Vietnam was triggered by what he saw on the job: so many young and wounded, and three bodies being carried from the hospital.

Life beyond the hospital bed is a frustrating mountain of paperwork. The typical soldier is required to file 22 documents with eight different commands -- most of them off-post -- to enter and exit the medical processing world, according to government investigators. Sixteen different information systems are used to process the forms, but few of them can communicate with one another. The Army's three personnel databases cannot read each other's files and can't interact with the separate pay system or the medical recordkeeping databases.

The disappearance of necessary forms and records is the most common reason soldiers languish at Walter Reed longer than they should, according to soldiers, family members and staffers. Sometimes the Army has no record that a soldier even served in Iraq. A combat medic who did three tours had to bring in letters and photos of herself in Iraq to show she had been there, after a clerk couldn't find a record of her service.

Shannon, who wears an eye patch and a visible skull implant, said he had to prove he had served in Iraq when he tried to get a free uniform to replace the bloody one left behind on a medic's stretcher. When he finally tracked down the supply clerk, he discovered the problem: His name was mistakenly left off the "GWOT list" -- the list of "Global War on Terrorism" patients with priority funding from the Defense Department.

He brought his Purple Heart to the clerk to prove he was in Iraq.

Lost paperwork for new uniforms has forced some soldiers to attend their own Purple Heart ceremonies and the official birthday party for the Army in gym clothes, only to be chewed out by superiors.

The Army has tried to re-create the organization of a typical military unit at Walter Reed. Soldiers are assigned to one of two companies while they are outpatients -- the Medical Holding Company (Medhold) for active-duty soldiers and the Medical Holdover Company for Reserve and National Guard soldiers. The companies are broken into platoons that are led by platoon sergeants, the Army equivalent of a parent.

Under normal circumstances, good sergeants know everything about the soldiers under their charge: vices and talents, moods and bad habits, even family stresses.

At Walter Reed, however, outpatients have been drafted to serve as platoon sergeants and have struggled with their responsibilities. Sgt. David Thomas, a 42-year-old amputee with the Tennessee National Guard, said his platoon sergeant couldn't remember his name. "We wondered if he had mental problems," Thomas said. "Sometimes I'd wear my leg, other times I'd take my wheelchair. He would think I was a different person. We thought, 'My God, has this man lost it?'"

Civilian care coordinators and case managers are supposed to track injured soldiers and help them with appointments, but government investigators and soldiers complain that they are poorly trained and often do not understand the system.

One amputee, a senior enlisted man who asked not to be identified because he is back on active duty, said he received orders to report to a base in Germany as he sat drooling in his wheelchair in a haze of medication. "I went to Medhold many times in my wheelchair to fix it, but no one there could help me," he said.

Finally, his wife met an aide to then-Deputy Defense Secretary Paul D. Wolfowitz, who got the erroneous paperwork corrected with one phone call. When the aide called with the news, he told the soldier, "They don't even know you exist."

"They didn't know who I was or where I was," the soldier said. "And I was in contact with my platoon sergeant every day."

The lack of accountability weighed on Shannon. He hated the isolation of the younger troops. The Army's failure to account for them each day wore on him. When a 19-year-old soldier down the hall died, Shannon knew he had to take action.

The soldier, Cpl. Jeremy Harper, returned from Iraq with PTSD after seeing three buddies die. He kept his room dark, refused his combat medals and always seemed heavily medicated, said people who knew him. According to his mother, Harper was drunkenly wandering the lobby of the Mologne House on New Year's Eve 2004, looking for a ride home to West Virginia. The next morning he was found dead in his room. An autopsy showed alcohol poisoning, she said.

"I can't understand how they could have let kids under the age of 21 have liquor," said Victoria Harper, crying. "He was supposed to be right there at Walter Reed hospital. . . . I feel that they didn't take care of him or watch him as close as they should have."

The Army posthumously awarded Harper a Bronze Star for his actions in Iraq.

Shannon viewed Harper's death as symptomatic of a larger tragedy -- the Army had broken its covenant with its troops. "Somebody didn't take care of him," he would later say. "It makes me want to cry."

Shannon and another soldier decided to keep tabs on the brain injury ward. "I'm a staff sergeant in the U.S. Army, and I take care of people," he said. The two soldiers walked the ward every day with a list of names. If a name dropped off the large white board at the nurses' station, Shannon would hound the nurses to check their files and figure out where the soldier had gone.

Sometimes the patients had been transferred to another hospital. If they had been released to one of the residences on post, Shannon and his buddy would pester the front desk managers to make sure the new charges were indeed there. "But two out of 10, when I asked where they were, they'd just say, 'They're gone,' " Shannon said.

Even after Weightman and his commanders instituted new measures to keep better track of soldiers, two young men left post one night in November and died in a high-speed car crash in Virginia. The driver was supposed to be restricted to Walter Reed because he had tested positive for illegal drugs, Weightman said.

Part of the tension at Walter Reed comes from a setting that is both military and medical. Marine Sgt. Ryan Groves, the squad leader who lost one leg and the use of his other in a grenade attack,

said his recovery was made more difficult by a Marine liaison officer who had never seen combat but dogged him about having his mother in his room on post. The rules allowed her to be there, but the officer said she was taking up valuable bed space.

"When you join the Marine Corps, they tell you, you can forget about your mama. 'You have no mama. We are your mama,' " Groves said. "That training works in combat. It doesn't work when you are wounded."

Frustration at Every Turn

The frustrations of an outpatient's day begin before dawn. On a dark, rain-soaked morning this winter, Sgt. Archie Benware, 53, hobbled over to his National Guard platoon office at Walter Reed. Benware had done two tours in Iraq. His head had been crushed between two 2,100-pound concrete barriers in Ramadi, and now it was dented like a tin can. His legs were stiff from knee surgery. But here he was, trying to take care of business.

At the platoon office, he scanned the white board on the wall. Six soldiers were listed as AWOL. The platoon sergeant was nowhere to be found, leaving several soldiers stranded with their requests.

Benware walked around the corner to arrange a dental appointment -- his teeth were knocked out in the accident. He was told by a case manager that another case worker, not his doctor, would have to approve the procedure.

"Goddamn it, that's unbelievable!" snapped his wife, Barb, who accompanied him because he can no longer remember all of his appointments.

Not as unbelievable as the time he received a manila envelope containing the gynecological report of a young female soldier.

Next came 7 a.m. formation, one way Walter Reed tries to keep track of hundreds of wounded. Formation is also held to maintain some discipline. Soldiers limp to the old Red Cross building in rain, ice and snow. Army regulations say they can't use umbrellas, even here. A triple amputee has mastered the art of putting on his uniform by himself and rolling in just in time. Others are so gorked out on pills that they seem on the verge of nodding off.

"Fall in!" a platoon sergeant shouted at Friday formation. The noisy room of soldiers turned silent.

An Army chaplain opened with a verse from the Bible. "Why are we here?" she asked. She talked about heroes and service to country. "We were injured in many ways."

Someone announced free tickets to hockey games, a Ravens game, a movie screening, a dinner at McCormick and Schmick's, all compliments of local businesses.

Every formation includes a safety briefing. Usually it is a warning about mixing alcohol with meds, or driving too fast, or domestic abuse. "Do not beat your spouse or children. Do not let your spouse or children beat you," a sergeant said, to laughter. This morning's briefing included a warning about black ice, a particular menace to the amputees.

Dress warm, the sergeant said. "I see some guys rolling around in their wheelchairs in 30 degrees in T-shirts."

Soldiers hate formation for its petty condescension. They gutted out a year in the desert, and now they are being treated like children.

"I'm trying to think outside the box here, maybe moving formation to Wagner Gym," the commander said, addressing concerns that formation was too far from soldiers' quarters in the cold weather. "But guess what? Those are nice wood floors. They have to be covered by a tarp. There's a tarp that's got to be rolled out over the wooden floors. Then it has to be cleaned, with 400 soldiers stepping all over it. Then it's got to be rolled up."

"Now, who thinks Wagner Gym is a good idea?"

Explaining this strange world to family members is not easy. At an orientation for new arrivals, a staff sergeant walked them through the idiosyncrasies of Army financing. He said one relative could receive a 15-day advance on the \$64 per diem either in cash or as an electronic transfer: "I highly recommend that you take the cash," he said. "There's no guarantee the transfer will get to your bank." The audience yawned.

Actually, he went on, relatives can collect only 80 percent of this advance, which comes to \$51.20 a day. "The cashier has no change, so we drop to \$50. We give you the rest" -- the \$1.20 a day -- "when you leave."

The crowd was anxious, exhausted. A child crawled on the floor. The sergeant plowed on. "You need to figure out how long your loved one is going to be an inpatient," he said, something even the doctors can't accurately predict from day to day. "Because if you sign up for the lodging advance," which is \$150 a day, "and they get out the next day, you owe the government the advance back of \$150 a day."

A case manager took the floor to remind everyone that soldiers are required to be in uniform most of the time, though some of the wounded are amputees or their legs are pinned together by bulky braces. "We have break-away clothing with Velcro!" she announced with a smile. "Welcome to Walter Reed!"

A Bleak Life in Building 18

"Building 18! There is a rodent infestation issue!" bellowed the commander to his troops one morning at formation. "It doesn't help when you live like a rodent! I can't believe people live like that! I was appalled by some of your rooms!"

Life in Building 18 is the bleakest homecoming for men and women whose government promised them good care in return for their sacrifices.

One case manager was so disgusted, she bought roach bombs for the rooms. Mouse traps are handed out. It doesn't help that soldiers there subsist on carry-out food because the hospital cafeteria is such a hike on cold nights. They make do with microwaves and hot plates.

Army officials say they "started an aggressive campaign to deal with the mice infestation" last October and that the problem is now at a "manageable level." They also say they will "review all outstanding work orders" in the next 30 days.

Soldiers discharged from the psychiatric ward are often assigned to Building 18. Buses and ambulances blare all night. While injured soldiers pull guard duty in the foyer, a broken garage door allows unmonitored entry from the rear. Struggling with schizophrenia, PTSD, paranoid delusional disorder and traumatic brain injury, soldiers feel especially vulnerable in that setting, just outside the post gates, on a street where drug dealers work the corner at night.

"I've been close to mortars. I've held my own pretty good," said Spec. George Romero, 25, who came back from Iraq with a psychological disorder. "But here . . . I think it has affected my ability to get over it . . . dealing with potential threats every day."

After Spec. Jeremy Duncan, 30, got out of the hospital and was assigned to Building 18, he had to navigate across the traffic of Georgia Avenue for appointments. Even after knee surgery, he had to limp back and forth on crutches and in pain. Over time, black mold invaded his room.

But Duncan would rather suffer with the mold than move to another room and share his convalescence in tight quarters with a wounded stranger. "I have mold on the walls, a hole in the shower ceiling, but . . . I don't want someone waking me up coming in."

Wilson, the clinical social worker at Walter Reed, was part of a staff team that recognized Building 18's toll on the wounded. He mapped out a plan and, in September, was given a \$30,000 grant from the Commander's Initiative Account for improvements. He ordered some equipment, including a pool table and air hockey table, which have not yet arrived. A Psychiatry Department functionary held up the rest of the money because she feared that buying a lot of recreational equipment close to Christmas would trigger an audit, Wilson said.

In January, Wilson was told that the funds were no longer available and that he would have to submit a new request. "It's absurd," he said. "Seven months of work down the drain. I have nothing to show for this project. It's a great example of what we're up against."

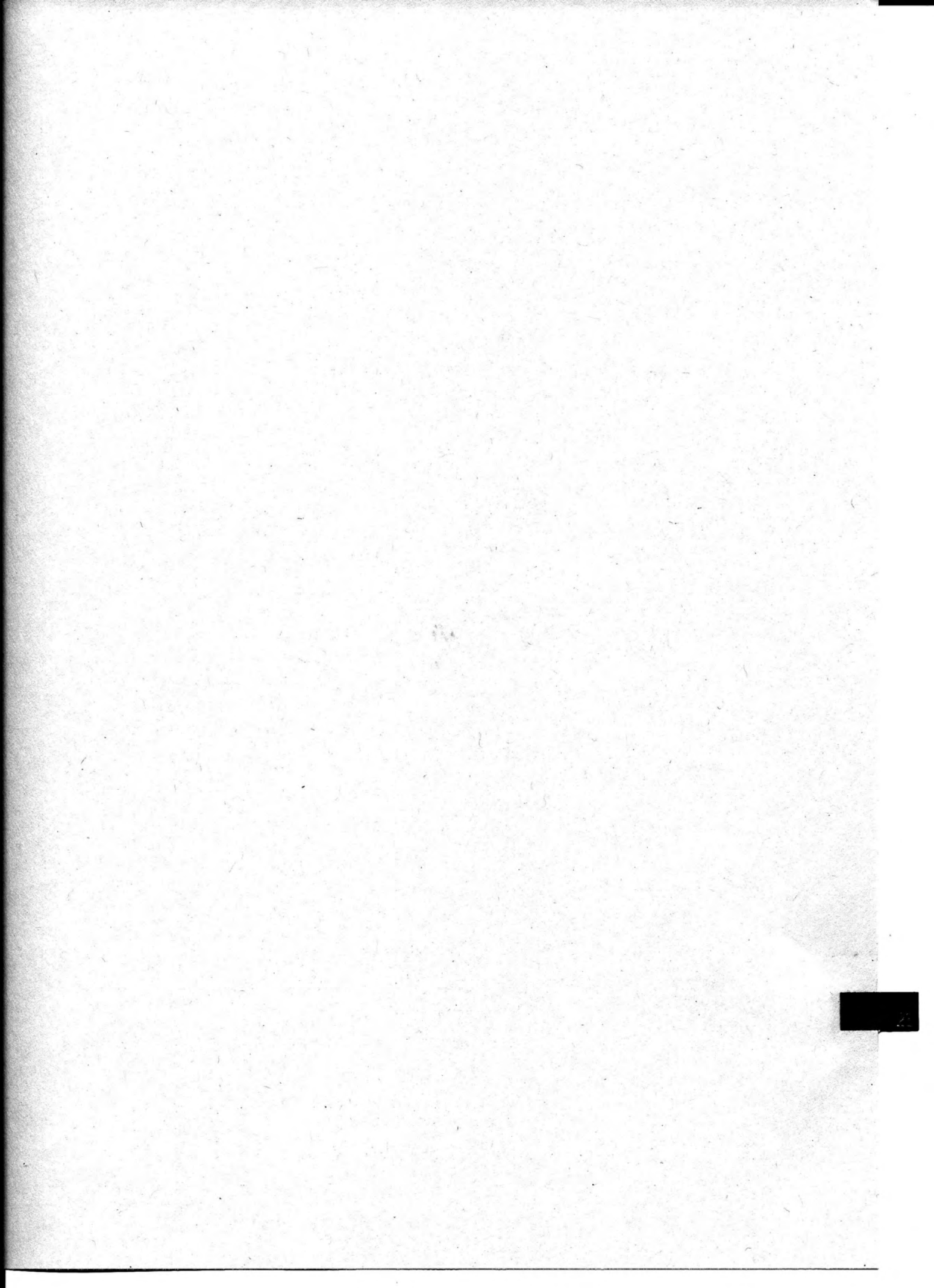
A pool table and two flat-screen TVs were eventually donated from elsewhere.

But Wilson had had enough. Three weeks ago he turned in his resignation. "It's too difficult to get anything done with this broken-down bureaucracy," he said.

At town hall meetings, the soldiers of Building 18 keep pushing commanders to improve conditions. But some things have gotten worse. In December, a contracting dispute held up building repairs.

"I hate it," said Romero, who stays in his room all day. "There are cockroaches. The elevator doesn't work. The garage door doesn't work. Sometimes there's no heat, no water. . . . I told my platoon sergeant I want to leave. I told the town hall meeting. I talked to the doctors and medical staff. They just said you kind of got to get used to the outside world. . . . My platoon sergeant said, 'Suck it up!' "

Staff researcher Julie Tate contributed to this report.



President's Radio Address

THE PRESIDENT: Good morning. One of my most solemn experiences as President is visiting men and women recovering from wounds they suffered in defense of our country. Spending time with these wounded warriors is also inspiring, because so many of them bring the same courage they showed on the battlefield to their battle for recovery.

These servicemen and women deserve the thanks of our country, and they deserve the best care our Nation can provide. That is why I was deeply troubled by recent reports of substandard conditions at Walter Reed Army Medical Center. Most of the people working at Walter Reed are dedicated professionals. These fine doctors, nurses, and therapists care deeply about our wounded troops, and they work day and night to help them. Yet some of our troops at Walter Reed have experienced bureaucratic delays and living conditions that are less than they deserve. This is unacceptable to me, it is unacceptable to our country, and it's not going to continue.

On hearing the reports about Walter Reed, I asked Secretary of Defense Bob Gates to assess the situation firsthand and report back to me. He confirmed that there are real problems at Walter Reed, and he's taken action to hold people accountable, including relieving the general in charge of the facility. Secretary Gates has also formed an independent review group that will investigate how this situation was allowed to happen, how it can be fixed, and how we can prevent it from happening again. Walter Reed has a long tradition of outstanding medical service, and my Administration will ensure that the soldiers recovering there are treated with the dignity and respect they have earned.

As we work to improve conditions at Walter Reed, we're also taking steps to find out whether similar problems have occurred at other military and veterans hospitals. So I'm announcing that my Administration is creating a bipartisan Presidential Commission to conduct a comprehensive review of the care America is providing our wounded servicemen and women. This review will examine their treatment from the time they leave the battlefield through their return to civilian life as veterans, so we can ensure that we are meeting their physical and mental health needs. In the coming days, I will announce the members of this commission, and set a firm deadline for them to report back to me with their recommendations.

We will use the commission's recommendations as part of our ongoing effort to improve our service to our Nation's veterans. Since 2001, we've helped over one million more veterans take advantage of the VA health care system, and with my 2008 budget proposal, we will have increased the VA's health care budget by 83 percent over the past six years, from about \$20 billion to more than \$36 billion. Overall, I'm asking Congress for more than \$86 billion for veterans' services this year. If Congress approves my request, this would amount to a 77 percent increase since I took office, and the highest level of support for veterans in American history.

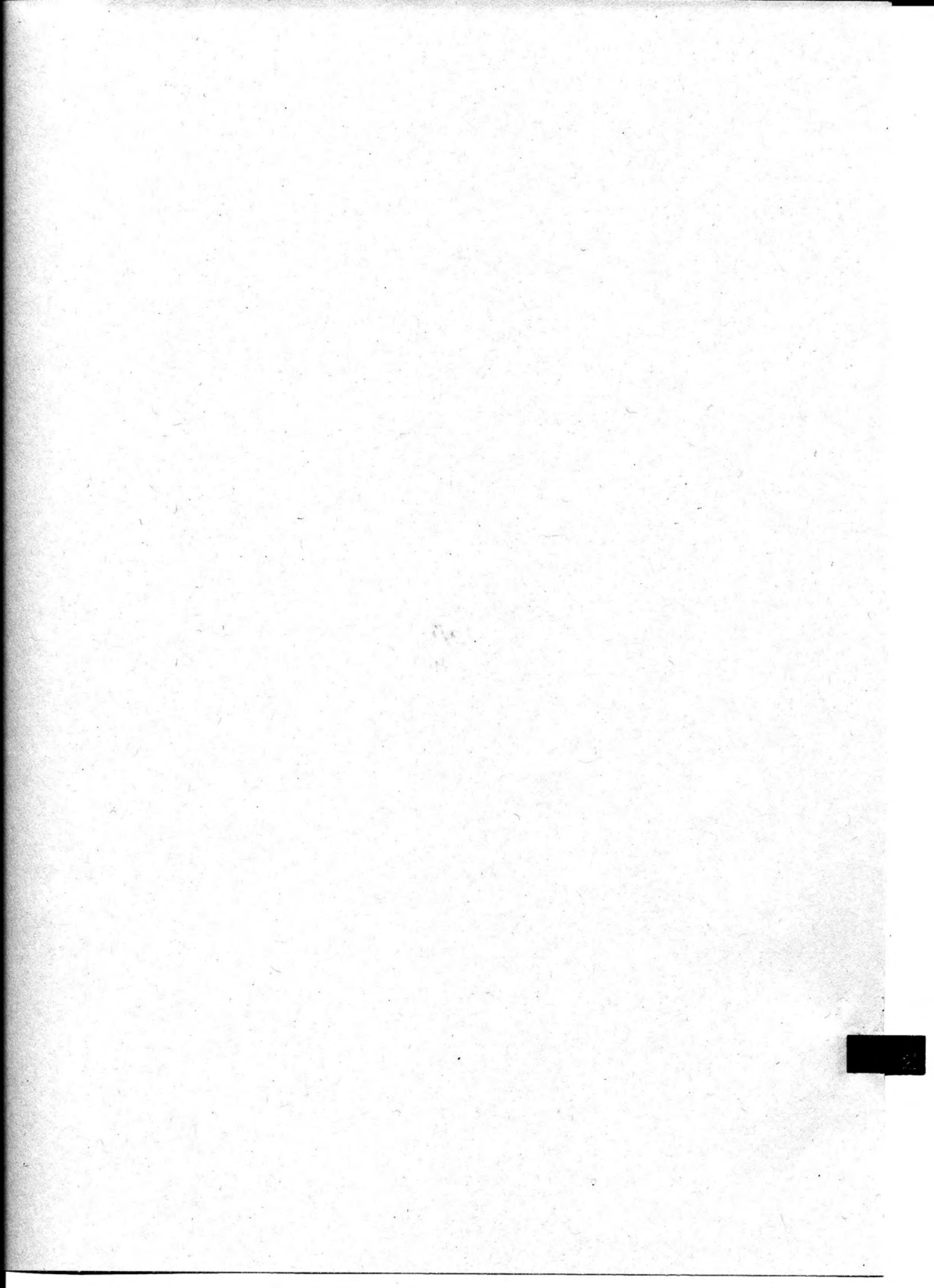
The men and women recovering at Walter Reed and our other military hospitals are remarkable individuals. Many have suffered wounds that even time will never fully heal. Yet they're facing the future with optimism, and a determination to move forward with their lives.

One of these brave warriors is Army Specialist Eduardo Leal-Cardenas. He was injured when an improvised explosive device blew up his vehicle in Iraq. The blast shattered bones in both legs, broke his ribs, and broke his back and neck. Some questioned whether he would ever regain the ability to walk. There was no doubt in Eduardo's mind, and he began his rehab while still

bedridden. Today, he's left Walter Reed, he's walking again, and he has something else he is proud of -- during his recovery, Eduardo became a U.S. citizen. I was proud to be with him at Walter Reed when he took his citizenship oath. If you ask Eduardo what American citizenship means to him, he answers with just one word: "Freedom."

Our Nation is blessed to have so many fine Americans who are willing to serve. We're blessed to have so many compassionate volunteers who give their time to care for our injured soldiers, sailors, airmen, and Marines. We're blessed to have so many fine medical professionals who dedicate their lives to healing our troops. This country has a moral obligation to provide our servicemen and women with the best possible care and treatment. They deserve it, and they will get it.

Thank you for listening.



Executive Order: Establishing a Commission on Care for America's Returning Wounded Warriors and a Task Force on Returning Global War on Terror Heroes

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to provide a comprehensive review of the care provided to America's returning Global War on Terror service men and women from the time they leave the battlefield through their return to civilian life, it is hereby ordered as follows:

Section 1. Establishment of Commission. There is established the President's Commission on Care for America's Returning Wounded Warriors (Commission).

Sec. 2. Membership of Commission. The Commission shall be composed of nine members appointed by the President. The President shall designate two Co-Chairs from among the members of the Commission.

Sec. 3. Mission of Commission. The mission of the Commission shall be to:

(a) examine the effectiveness of returning wounded service members' transition from deployment in support of the Global War on Terror to successful return to productive military service or civilian society, and recommend needed improvements;

(b) evaluate the coordination, management, and adequacy of the delivery of health care, disability, traumatic injury, education, employment, and other benefits and services to returning wounded Global War on Terror service members by Federal agencies as well as by the private sector, and recommend ways to ensure that programs provide high-quality services;

(c) (i) analyze the effectiveness of existing outreach to service members regarding such benefits and services, and service members' level of awareness of and ability to access these benefits and services, and (ii) identify ways to reduce barriers to and gaps in these benefits and services; and

(d) consult with foundations, veterans service organizations, non-profit groups, faith-based organizations, and others as appropriate, in performing the Commission's functions under subsections (a) through (c) of this section.

Sec. 4. Administration of Commission.

(a) The Secretary of Defense shall, to the extent permitted by law, provide administrative support and funding for the Commission. To the extent permitted by law, office space, analytical support, and staff support for the Commission shall be provided by the Department of Defense.

(b) Members of the Commission shall serve without any compensation for their work on the Commission. Members of the Commission appointed from among private citizens of the United States, while engaged in the work of the Commission, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in Government service (5 U.S.C. 5701-5707), consistent with the availability of funds.

(c) The Co-Chairs of the Commission shall select an Executive Director to coordinate administration of the Commission.

(d) The heads of executive branch departments and agencies shall, to the extent permitted by law, provide the Commission with information as requested by the Co-Chairs.

(e) The Co-Chairs of the Commission shall convene and preside at the meetings of the Commission, determine its agenda, and direct its work.

(f) The functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.) (Act), except for those in section 6 of that Act, that are applicable to the Commission, shall be performed by the Secretary of Defense, in accordance with the guidelines that have been issued by the Administrator of General Services.

Sec. 5. Report of Commission. The Commission shall report its recommendations to the President through the Secretary of Defense and the Secretary of Veterans Affairs. The Commission shall issue a final report by June 30, 2007, unless the Co-Chairs provide written notice to the President that an extension is necessary, in which case the Commission shall issue the final report by July 31, 2007.

Sec. 6. Termination of Commission. The Commission shall terminate 30 days after submitting its final report, unless extended by the President prior to that date.

Sec. 7. Establishment of Task Force. The Secretary of Veterans Affairs (Secretary) shall establish within the Department of Veterans Affairs for administrative purposes only an Interagency Task Force on Returning Global War on Terror Heroes (Task Force).

Sec. 8. Membership and Operation of Task Force. The Task Force shall consist exclusively of the following members, or their designees who shall be at the Under Secretary level (or its equivalent) or higher:

(a) the Secretary of Veterans Affairs, who shall serve as Chair;

(b) the Secretary of Defense;

(c) the Secretary of Labor;

(d) the Secretary of Health and Human Services;

(e) the Secretary of Housing and Urban Development;

(f) the Secretary of Education;

(g) the Director of the Office of Management and Budget;

(h) the Administrator of the Small Business Administration; and

(i) other officers or employees of the United States, as determined by the Secretary.

The Secretary or the Secretary's designee shall convene and preside at meetings of the Task Force and direct its work. The Secretary shall designate an official of the Department of Veterans Affairs to serve as the Executive Secretary of the Task Force, and the Executive Secretary shall head any staff assigned to the Task Force.

Sec. 9. Mission of Task Force. The mission of the Task Force shall be to:

- (a) identify and examine existing Federal services that currently are provided to returning Global War on Terror service members;
- (b) identify existing gaps in such services;
- (c) seek recommendations from appropriate Federal agencies on ways to fill those gaps as effectively and expeditiously as possible using existing resources; and
- (d) (i) ensure that in providing services to these service members, appropriate Federal agencies are communicating and cooperating effectively, and (ii) facilitate the fostering of agency communications and cooperation through informal and formal means, as appropriate.

Sec. 10. Administration of Task Force. The Secretary of Veterans Affairs shall, to the extent permitted by law, provide administrative support and funding for the Task Force.

Sec. 11. Action Plan of Task Force. Consistent with applicable law, the Task Force shall outline a Government-wide action plan that identifies existing Federal services for returning Global War on Terror service men and women and that

ensures the provision of such services to those service members as effectively and expeditiously as possible. The Task Force shall submit the action plan to the President within 45 days of the date of this order.

Sec. 12. Termination of Task Force. The Secretary, with the approval of the President, shall terminate the Task Force upon the completion of its duties.

Sec. 13. General Provisions.

- (a) Nothing in this order shall be construed to impair or otherwise affect (i) authority granted by law to an agency or the head thereof, or (ii) functions of the Director of the Office of Management and Budget relating to budget, administrative, or legislative proposals.
- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity, against the United States, its departments, agencies, entities, officers, employees, agents, or any other person.

GEORGE W. BUSH

THE WHITE HOUSE,

March 6, 2007.

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Fact Sheet: Taking Care of America's Returning Wounded Warriors

President Bush Names Bob Dole And Donna Shalala To Serve On The President's Commission On Care For America's Returning Wounded Warriors

The President's Commission On Care For America's Returning Wounded Warriors

Today, President Bush Signed An Executive Order Creating A Bipartisan Presidential Commission To Conduct A Comprehensive Review Of The Services America Is Providing Our Returning Wounded Warriors. The President's Commission on Care for America's Returning Wounded Warriors will recommend ways to:

1. **Improve The Transition From Deployment To Other Military Service Or Civilian Life.** The Commission will examine returning wounded service members' transition from deployment in support of the Global War on Terror to productive military service or civilian society, and recommend needed improvements.
2. **Ensure High-Quality Services For Returning Wounded Service Members.** The Commission will evaluate the delivery of health care, disability, traumatic injury, education, employment, and other benefits and services to returning wounded service members by Federal agencies and the private sector. It will recommend ways to ensure programs provide high-quality services.
3. **Increase Access To Benefits And Services.** The Commission will analyze the effectiveness of existing outreach programs for service members and identify ways to increase awareness of and access to benefits and services and reduce any barriers or gaps in these benefits and services.
- **Commission Members Will Consult With Foundations, Veterans Service Organizations, Non-Profit Groups, Faith-Based Organizations, And Others, As Appropriate.**

The President Also Announced Former Senator Bob Dole And Former U.S. Department Of Health And Human Services Secretary Donna Shalala Will Serve As The Commission's Co-Chairs. In total, the President will announce nine members to serve on the Commission – including the two co-chairs.

- **Bob Dole:** Senator Bob Dole was elected to Congress from his home state of Kansas in 1960 and to the U.S. Senate in 1968. He resigned from the Senate in 1996. His personal history of service includes active duty in World War II, during which he was gravely wounded and received for heroic achievement two Purple Hearts and a Bronze Star with Oak Leaf Cluster.
- **Donna Shalala:** In 1993, President Clinton appointed Donna Shalala Secretary of Health and Human Services (HHS), where she served for eight years, becoming the longest serving HHS Secretary in U.S. history. She has served as President of the University of Miami since June 1, 2001.

Interagency Task Force On Returning Global War On Terror Heroes

The President Also Directed U.S. Department Of Veterans Affairs (VA) Secretary Jim Nicholson To Establish An Interagency Task Force On Returning Global War On Terror Heroes. The Task Force will bring together top-level officials from the U.S. Departments of Defense, Veterans Affairs, Labor, Health and Human Services, Housing and Urban Development, and Education, as well as the Office of Management and Budget and the Small Business Administration. It will identify and examine existing Federal services provided to returning Global War on Terror service members, identify gaps in these services, and seek recommendations from appropriate Federal agencies on ways to fill those gaps quickly and effectively.

In Addition, Defense Secretary Robert Gates Has Formed An Independent Review Group To Conduct An Assessment Of Outpatient Treatment At Walter Reed Army Medical Center (WRAMC) And The National Naval Medical Center (NNMC). The group held its first meeting on March 1, 2007. It will identify any critical shortcomings and opportunities to improve care and quality of life for injured and sick members of the armed forces at WRAMC, NNMC, and other facilities if necessary, and make recommendations for corrective actions.

A Record Of Commitment To Improving Service For The Men And Women Of Our Military

The President's 2008 Budget Proposal Contains \$38.7 Billion For Military Health Care Costs - Doubling Funding Since The President Took Office. All military members and families and retirees and families receive health care benefits from the Department of Defense (DoD). Military members on active duty are treated in DoD hospitals and clinics worldwide. A member severely harmed in combat is retained on active duty and treated in DoD facilities until he or she is granted lifetime DoD disability retirement and health benefits. The member may also transition to the VA health system for care.

- **In 2005, DoD Launched Its Global Electronic Health Record System, Which Will Ultimately Serve More Than 9 Million Service Members, Retirees, And Their Families Worldwide.** In 2008, the system will be active in 60 percent of military hospitals – a major step towards achieving the President's goal of making electronic health records and information about health care costs available to a majority of Americans.
- **In December 2006, The Defense Department Established A Task Force On The Future Of Military Health Care.** The 14-member task force will evaluate and recommend alternatives to ensure the availability and affordability of military medicine over the long term.

With The President's 2008 Budget Proposal, We Will Have Increased The VA's Health Care Budget By 83 Percent Since 2001 – An Average Of 9.1 Percent A Year. Overall, the President is asking Congress for more than \$86 billion for veterans' services in 2008. If Congress approves his request, this would amount to a 77 percent increase since the President took office – the highest level of support for veterans in American history.

- **VA Has Placed Staff At Key Military Hospitals To Assist Returning Service Members.** These include benefit counselors who help service members obtain VA

services and social workers who facilitate health care coordination and discharge planning as service members transition from Defense Department to VA health care.

- **VA Has Refocused Resources On Returning Combat Veterans And Has Implemented A Priority Scheduling System To Ensure These Men And Women Receive The Care They Need Without Unnecessary Delay.** In addition, each VA medical center has a designated point of contact to ensure the health care needs of returning service members and veterans are fully met.
- **VA Has Expanded Resources For Patients With Multiple Complex Injuries.** To further meet the need for specialized medical care for returning combat veterans, VA has expanded its four polytrauma centers in Minneapolis, Palo Alto, Richmond, and Tampa to encompass additional specialties to treat patients for multiple complex injuries. This effort is being expanded to 21 polytrauma network sites and clinic support teams around the country that can provide state-of-the-art treatment closer to injured veterans' homes.
- **The President's 2008 VA Budget Includes A Total Investment Of Nearly \$3 Billion To Provide A Full Continuum Of Care For Veterans With Mental Health Issues.** VA and DoD are working together to identify departing service members who may be at risk for Post Traumatic Stress Disorder, and have implemented an aggressive plan to determine the appropriate care best suited to each veteran.
- **VA Has Significantly Expanded Its Counseling And Other Medical Care Services For Recently Discharged Veterans Suffering From Mental Health Disorders, Including Post-Traumatic Stress Disorder.** VA has created dozens of new mental health teams based in VA medical facilities that focus on early identification and management of stress-related disorders. It has also recruited about 100 combat veterans as counselors to provide briefings to transitioning service members regarding military-related readjustment needs.
- **VA Is Leading The Way In The Use Of Electronic Health Records To Enhance Patient Safety And Prevent Errors Associated With Prescription Drugs.** All VA medical records are stored and tracked electronically, rather than on paper. This system allows physicians to review a patient's medical history, diagnoses, medications, charts, and X-rays at any of VA's 1,400 sites. It also substantially cuts down on errors in drug prescription, curbs repetitive and unnecessary tests, and helps identify patients who need vaccinations and other services.

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President Bush Discusses Care for America's Returning Wounded Warriors, War on Terror at American Legion

Renaissance Hotel

Washington, D.C.

10:05 A.M. EST

THE PRESIDENT: Thank you very much, Paul, for that warm welcome. I appreciate the fact that you've given me a chance to come and address you. I welcome you to our nation's capital. I offer a special greeting to members of Post 77 from Houston, Texas. (Laughter.) If you're here, my advice is, behave yourself. (Laughter.) What happens in Washington stays in Washington. (Laughter.)

People who know something about the Legion understand firsthand how much this organization does for our men and women in uniform, for those who have been wounded on the field of battle, and for their remarkable families. Our nation has been able to call upon the Legion in times of promise and peril, and our nation is grateful for your service. (Applause.)

I thank -- not only do I thank your Commander, I thank Earl Ruttkofsky. I appreciate Beverly, his wife, and JoAnn Cronin, who happens to be the President of the American Legion Auxiliary. (Applause.) She gets her hair done at the same place my mother does. (Laughter.) Like -- if you're listening, mom, that's a compliment. (Laughter.)

I appreciate so very much Secretary Jim Nicholson, who's in my Cabinet, Department of Veterans Affairs -- Mr. Secretary. I want to thank the members of the Congress who have joined us, starting with Senator Jim Bunning, Senator Orrin Hatch, and Senator Lindsey Graham. I'm honored you three men are here. Thanks for your time. (Applause.) And I thank you for your articulate defense for the support of our troops.

I appreciate so very much Congressman Jim Saxton from New Jersey, Mike Pence, Indiana, and Joe Wilson from South Carolina. Welcome, and thank you for coming. (Applause.)

Since it's founding in the aftermath of World War I, the American Legion has assumed a sacred obligation: to preserve the traditions of our great democracy and to watch over those charged with its defense. In every war, and in every era, our country's veterans have kept faith with the American people. And it's the obligation of the government to keep faith with our veterans. (Applause.)

Support of our veterans has been a high priority in my administration. This year I've asked Congress for more than \$86 billion for veterans' services. And if Congress approves my request, this would amount to a 77 percent increase of the budget since I took office; it would be the highest level of support for our veterans in American history. (Applause.)

We share with your concern about making sure our vets have good health care. I've talked to your commanders past, and suspect I'll be talking to your commanders future, about making sure that our veterans have got good, decent, quality health care. Since 2001, we've helped over 1 million more veterans -- we've added a million veterans -- take advantage of the VA health care system.

The 2008 budget proposal will increase the VA health care budget by 83 percent since I took office. The Department of Defense's health care budget has grown from \$19 billion to \$38 billion. And that's an important commitment, and I look forward to working with Congress to say to our veterans, we care about you. Money is one thing; delivery of services is another. (Applause.)

I know I share -- listen, I am as concerned as you are about the conditions at Walter Reed Army Medical Center. My decisions have put our kids in harm's way. And I'm concerned about the fact that when they come back they don't get the full treatment they deserve. Many people working at Walter Reed are fine people. If you've been out there, you know what I'm talking about. They're dedicated, honorable healers who care deeply about our soldiers. Fine doctors, nurses and therapists work day and night to help the wounded. Yet some of our troops at Walter Reed have experienced bureaucratic delays and living conditions that are less than they deserve. It's unacceptable to me, it is unacceptable to you, it's unacceptable to our country -- and it's not going to continue. (Applause.)

I recently asked Secretary of Defense Bob Gates to assess the situation at Walter Reed firsthand and report back to me. He confirmed that there are problems, real problems. He has taken action to address those problems and hold people to account -- including relieving the general in charge of the facility and accepting the resignation of the Secretary of the Army.

As we work to improve conditions at Walter Reed, we are also taking steps to find out whether similar problems exist at other military and veterans hospitals. (Applause.) The best way to do so in a constructive way, in a way that will bring forth the truth, is to create a bipartisan Presidential Commission. I've asked two distinguished public servants to lead the commission, and they have accepted -- Senator Bob Dole and former Secretary of Health and Human Services Donna Shalala. (Applause.)

The Commission will conduct a comprehensive review of the care America is providing our wounded servicemen and women returning from the battlefield. This review will examine their treatment from the time they leave the battlefield through their return to civilian life as veterans - - so we can ensure that we're meeting the physical and mental health needs of all. As this commission begins its work and considers its recommendations, I have also directed the Secretary of Veterans Affairs to lead a task force composed of seven members of my Cabinet to focus and respond to immediate needs.

We have an obligation, we have a moral obligation to provide the best possible care and treatment to the men and women who have served our country. They deserve it, and they're going to get it. (Applause.)

My Administration appreciates your strong support of the flag. The flag is emblazoned on the uniforms of brave men and women who serve our country. It is draped on the coffins of those who fall on the field of battle. It is a symbol of a noble nation and of a higher calling. I join with you and the elected legislatures of all 50 states in urging Congress to provide the flag with the Constitutional protection it deserves. (Applause.)

My administration also shares your determination to keep faith with our prisoners of war and those missing in action. (Applause.) We cannot rest, and must not rest, until we have accounted

for every member of our Armed Forces -- from every war and every corner of the globe. (Applause.)

American Legion halls have been mainstays of our communities and neighborhoods for generations. You have taught millions of young people the importance of good citizenship and the values of "God and country." And I appreciate these valuable lessons in America. I saw them firsthand when I was the Governor of Texas. After all, you sponsor Boys State and Girls State. (Applause.) They're great programs. I found it very interesting how the executive director describes the programs. He says, the programs don't -- the programs -- the program, "does not emphasize" -- he has a little trouble with the English. (Laughter and applause.) And so do I. (Laughter.) Describes this as an initiative that, "does not emphasize classroom and textbook learning." That's my kind of program. (Laughter and applause.)

Your example of service offers invaluable lessons for future generations. In times of peace, you counsel vigilance. In times of war, you counsel resolve. More than five years have passed since the attacks of September the 11th, 2001. And we find ourselves debating the causes of this conflict and the course we have followed. Yet even among our differences, there are a few questions that surely have been settled. One is that September the 11th was not only a crime but an act of war -- (applause) -- a war waged by fanatics who believe it is their duty to kill Americans, and impose their hateful ideology as far as they can spread it.

Since 9/11, they have continued to try to attack us here at home. They're relentless, and they're determined. We stopped an al Qaeda plot to fly a hijacked airplane into the tallest building on the West Coast. We stopped a Southeast Asian terror cell grooming operatives for attacks inside the United States. We stopped an al Qaeda cell developing anthrax to be used in attacks against America. For each life saved, we owe a debt of gratitude to our military, and intelligence, and law enforcement personnel who devote their lives to finding the terrorists and stopping and protect -- stopping them and protecting the American people. (Applause.)

Our most solemn duty is to protect you. The most solemn duty of this government is to protect the American people from further harm. And the best way to do so is to stay on the offense. So we have pursued the enemy aggressively around the world -- degrading their ability to organize and coordinate new attacks here at home. In the wake of 9/11, Americans made a choice: instead of waiting for the enemy to strike on their terms, we would fight the enemy on our terms. (Applause.)

And we fight this war on many fronts. In Afghanistan and Iraq, we removed two of the world's most brutal regimes. And now we are undertaking the complex work of helping the people of these two countries establish functioning democracies that can protect their own people and be allies in this global war on terror. (Applause.) Sometimes we lose sight of the importance of this work in the midst of heated debates -- and this is especially true when it comes to Iraq. The fight in Iraq is more than a conflict in one country, it is part of a larger struggle against extremism that is unfolding across the broader Middle East. The extremists are fighting to take control of Iraq so they can establish it as a base from which to overthrow moderate governments in the region, and plan new attacks on the American people. If we fail in Iraq, the enemy will follow us home. (Applause.) Their success in Iraq would bring danger to America, and that is why America must prevail in Iraq. (Applause.)

I appreciate your strong support for those who have volunteered to wear our uniform. Thousands of courageous men and women have stepped forward to protect us. And they're not alone. Since this war began, nearly 120,000 Iraqis have volunteered to serve in their army. More than 8,000 Iraqis in uniform have died in the defense of their new nation. Recently in Anbar province, where al Qaeda terrorists have gathered, 1,000 Sunnis volunteered for the police force in a period of two weeks. Last month in Hillah, an Iraqi police officer threw himself onto a suicide bomber - a final, heroic act that saved an untold number of Iraqis gathered outside a local mosque.

Every month, Iraqis risk reprisals from the terrorists and extremists to provide thousands of tips to coalition and Iraqi authorities. One recent tip from an Iraqi led to the discovery of a factory where insurgents developed sophisticated roadside bombs to kill our troops. With these acts of bravery, the Iraqis are standing up for the democratic future that 12 million of them voted for. (Applause.) The vast majority of Iraq's citizens want to live in peace, and they're showing their courage every day. And the United States of America will not abandon them in their hour of need. (Applause.)

To reach our goals, and to prevail, we must recognize that the nature of the war in Iraq has changed. In 2005, the terrorists tried and failed to stop the Iraqi people as they held three national elections. They chose a transitional government, they adopted the most progressive, democratic constitution in the Arab world, and then they elected a government under that constitution. So a thinking enemy adjusted their tactics, and in 2006 they struck.

Last February, al Qaeda and other Sunni extremists blew up the Golden Mosque of Samarra. This atrocity was designed to provoke retaliation from the Iraqi Shia -- and it succeeded. Radical Shia elements, some of whom receive support from Iran, formed death squads. And the result was a tragic escalation of sectarian rage and reprisal.

This changed the nature of the conflict in Iraq. We still faced the threat from al Qaeda, but the sectarian violence was getting out of hand, and threatened to destroy this young democracy before it had a chance to succeed. So last fall, I ordered my national security team to conduct a comprehensive review of our strategy in Iraq. We devised an approach that is markedly different from previous efforts. This approach demands more from Iraq's elected government, makes bringing security to Baghdad our top priority, and gives our troops the reinforcements they need to carry out their missions. And to carry out this strategy, I put in place a highly-regarded commander, an expert on counterinsurgency -- General David Petraeus.

General Petraeus' mission is to help Iraq's leaders implement the plan that they developed to secure Baghdad. Today they can't do this on their own. So I have ordered reinforcements of more than 20,000 additional combat soldiers and Marines to Iraq. The majority will go to Baghdad, where they will help Iraqi forces to clear and secure neighborhoods, and where they will partner with Iraqi units. The Iraqis in the lead, our forces will help secure the city by chasing down the terrorists, insurgents, and murderers, and roaming death squads.

We're fixing one of the major problems with our previous approach in Baghdad. In the past, our forces would help Iraqis clear out neighborhoods during the day, and then go back to their bases at night, and often the enemy returned as soon as American forces left. This time, we will hold the neighborhoods we have cleared by establishing over 30 "joint security stations" throughout Baghdad. These will be neighborhood outposts where Iraqi forces, with U.S. help, will be

deployed 24 hours a day to secure the population, provide emergency aid to the communities, and gather information to root out extremist networks throughout the capital. At the same time, our forces will continue to train Iraqi Army and Police, so that we can help ensure that the Iraqi forces left behind are capable of providing security that Baghdad needs.

It's too early to judge the success of this operation. General Petraeus recently arrived in the Iraqi capital, and the plan he is executing is in its early stages. This strategy is going to take time. And we can expect al Qaeda and other extremists to try to derail the strategy by launching spectacular attacks.

Yet even at this early hour, there are some encouraging signs: The Iraqi government has completed the deployment of three additional Iraqi Army brigades to the capital. They said they were going to employ three brigades, and they did. Iraq's leaders have lifted restrictions on Iraqi and coalition forces that prevented them from going into certain areas. Already, about half of the joint security stations have been established in neighborhoods across Baghdad. Iraqi and U.S. forces have rounded up more than 700 people affiliated with Shia extremists. They have recovered large weapons caches, including mortar weapons systems and rocket-propelled grenades.

Iraqi and American forces have also launched successful operations against the Sunni extremists. U.S. and Iraqi forces recently killed al Qaeda terrorists in Baghdad, who were responsible for some of those bomb attacks that you're seeing on your TV screens. In the past two weeks, U.S. and Iraqi forces have also uncovered large stockpiles of Explosively Formed Projectiles -- or EFPs -- which are used by extremist groups to attack our troops. Iraqi and U.S. forces are making gradual but important progress almost every day, and we will remain steadfast until our objectives are achieved. (Applause.)

In addition to the steps they are taking to secure their capital, Iraq's leaders are also taking steps to achieve political reconciliation -- reconciliation that is necessary after years of brutal tyranny. They have committed themselves to a series of benchmarks to advance this reconciliation -- to share oil revenues amongst all Iraq's citizens, to put the wealth of Iraq into rebuilding of Iraq, to allow more Iraqis to re-enter their nation's civic life, to hold local elections, and to take responsibility for security in every Iraqi province.

Iraqis have already begun to deliver on some of these promises. For example, Iraq's Council of Ministers recently agreed on legislation they will submit to their parliament on the development of Iraq's oil resources and the sharing of revenues. Last month, the Iraqi government approved a budget that includes \$10 billion for reconstruction and capital investment. These are encouraging signs. And now Iraq's leaders must meet the other pledges they have made.

To succeed, Iraq's leaders also need the help of the international community. So the United States supports the Iraqi government as it pursues an international initiative to build diplomatic, economic, and security support for its young democracy. Last week, the Iraqis announced that they will hold a conference in Baghdad that will include officials from Iraq's neighboring countries, as well as the permanent members of the U.N. Security Council, the Arab League, and the Organization of Islamic Conference.

It will be followed next month by a second conference that includes Secretary Rice and her counterparts from around the world. These meetings will be an important test. They'll be a test of whether Iran and Syria are truly interested in being constructive forces in Iraq. It will be a test for the international community to express its support for this young democracy, to support a nation that will be at peace with its neighbors.

Diplomacy is going to play an important part of securing Iraq's future. Yet diplomacy will fail without a robust military strategy. The goal of the enemies in Iraq is power, and they're willing to kill themselves and innocent men, women, and children to achieve that goal. People like these can't be satisfied by negotiations or diplomatic concessions. Our strategy recognizes the hard truth. So we're going to continue to pursue our enemies in Iraq relentlessly, and at the same time, we'll work with moderate forces to achieve reconciliation between sectarian factions.

Here in Washington, we have important decisions on Iraq ahead of us. And the most pivotal question is whether the United States Congress will stand behind General Petraeus and our troops as they work to secure Baghdad. General Petraeus has my confidence, and he also has the confidence of the United States Senate. In fact, he was recently confirmed to his post without one single vote against him. Yet almost immediately the House passed a resolution that disapproved of his strategy for success in Iraq. I know you find that puzzling -- (laughter) -- you're not the only one. (Laughter.) This may be the first time in the history of the United States Congress that voted to send a new commander into battle and then voted to oppose the plan he said was critical in winning that battle.

Members of Congress have every right to express their opinion. They have every right. They also have a responsibility to fund our war fighters. (Applause.) Some in Congress have called for cutting off funds for our troops, only to find opposition from their colleagues on Capitol Hill. Now others in Congress are planning to use an emergency war spending bill that will provide funds for the war on terror as an opportunity to add on billions of dollars for unrelated domestic programs. Tacking extra domestic spending to an emergency war spending bill only will complicate Congress' ability to provide the support that our troops urgently need. I ask the Congress to approve the funds we requested and our troops are counting on without strings and without delay. (Applause.)

Equally important to funding our troops is giving our commanders the flexibility to carry out their missions, without undue interference from politicians in Washington. (Applause.) Some members of Congress say that we can succeed in Iraq without providing the reinforcements that our forces have been promised and are expecting. I disagree. More importantly, our commanders disagree. Other members of Congress seem to believe that we can have it all: that we can fight al Qaeda, pursue national reconciliation, initiate aggressive diplomacy, and deter Iran's ambitions in Iraq -- all while withdrawing from Baghdad and reducing our force levels. That sounds good in theory, but doing so at this moment would undermine everything our troops have worked for. (Applause.)

There are no short cuts in Iraq. Our intelligence and military experts agree that given the current situation, Iraq will not be a stable nation until its capital is more secure. Political reconciliation is difficult when a country's seat of government is under constant siege. Economic improvements cannot take root when Baghdad's neighborhoods are the scene of daily sectarian violence and

reprisals. And you cannot effectively battle al Qaeda by ignoring the sectarian violence they are inciting, especially in the capital.

If American forces were to step back from Baghdad now, before it is more secure, the scale and scope of attacks would increase and the intensity would increase. A contagion of violence could spill out across the entire country, and in time, the entire region. The enemy would emerge from the chaos emboldened, with new safe havens and new recruits and new resources and an even greater determination to harm America.

For our country, this is a nightmare scenario. For the enemy, it's their plan. They're not debating whether the war in Iraq is worth it. Hear the words of bin Laden, in a message to the American people just last year. He says of Iraq: "The war is for you or for us to win. If we win it, it means your defeat and disgrace forever." In the face of such a determined enemy, the idea of pulling back from the fight and hoping for the best is not a reasonable position. America did not drive al Qaeda out of their safe haven in Afghanistan only to let them set up a shop in a free Iraq. (Applause.)

Now that the battle for Baghdad is underway, our country is best served by standing behind our troops and doing everything we can to aid in their success. The outcome of this conflict involves more than the fortunes of any one President or any political party. Our mission is America's mission, and our failure would be America's failure.

Our country is fortunate that our mission is in the hands of America's finest citizens -- the men and women who wear our uniform. (Applause.) They've been on the battlefield. They have seen this war up close. They know the consequences of failure. And they appreciate something larger: the consequences of success. (Applause.) We know what a free Iraq could mean for the region and the world, because we know how your sacrifices half a century ago helped create a free Germany that transformed Europe, and a free Japan that sparked a wave of democracy and prosperity throughout much of Asia. We know that a free Iraq has the potential to spark a similar transformation in the Middle East, and bring us closer to the day when moms and dads in the Arab world see a future of hope for their children. And we know that the sacrifices that our troops are making in Iraq today will lay the foundation of peace for generations of Americans to come.

Last year, I received a letter from a Navy Seabee named Andy Clements. He was serving in Iraq. He says he worked alongside Iraqis on a daily basis, and that they appreciate what America is doing for their country. And he told me this story, "I was at Baghdad International Airport several weeks ago and had a small Iraqi boy, near the same age as my own son, run up to me and salute. He kept repeating 'thank you' in broken English, and wanted to shake my hand. I will remember that chance meeting forever. And that to me is what being [done] here is all about."

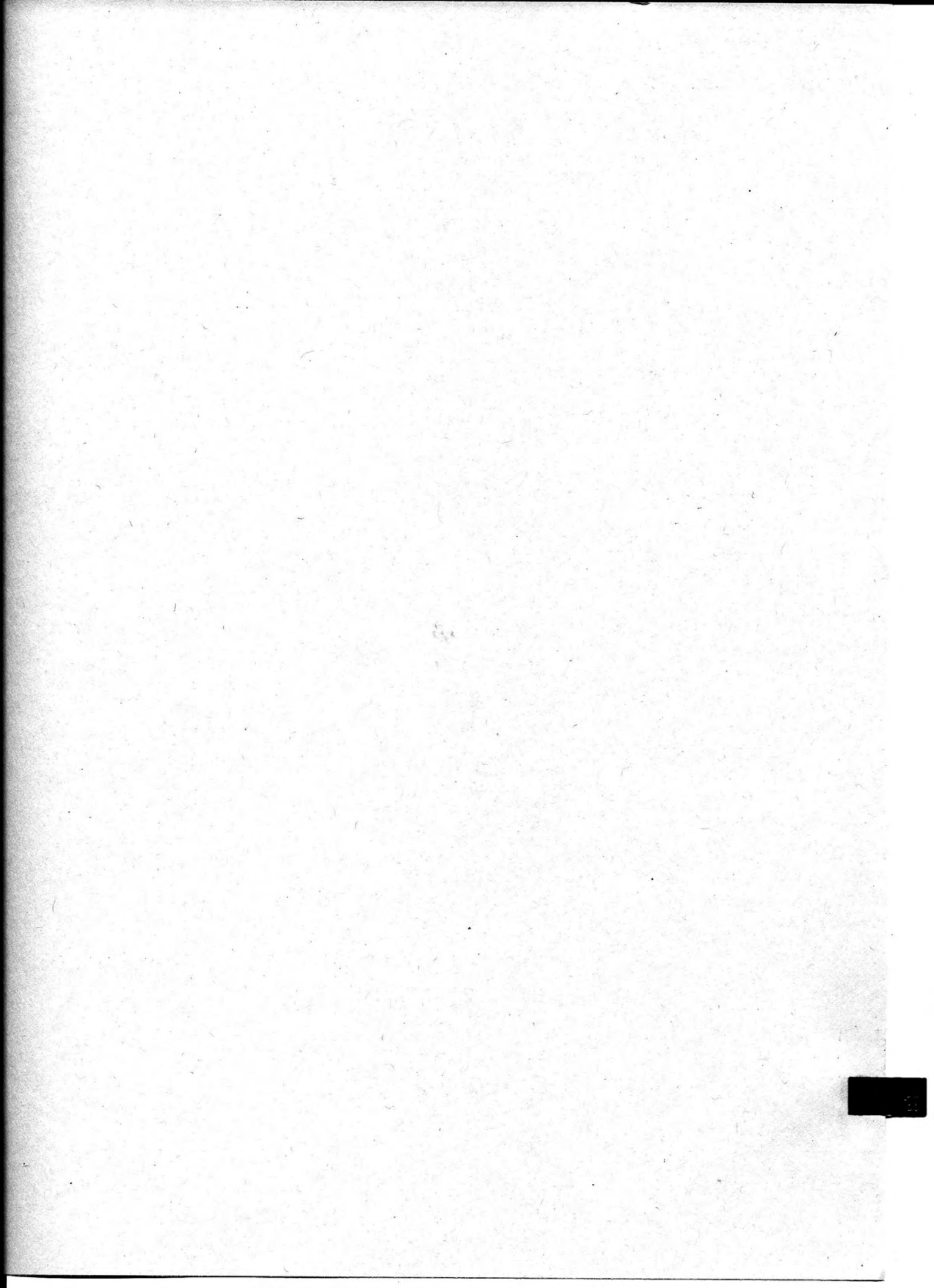
In the brief history of our nation, we've seen freedom remake the world many times, and yet we always seem surprised by the quiet power of our ideals. It's in our power to show those who hunger for liberty the path away from tyranny and terror. Throughout our history, we have gone through tough moments and we have come out stronger on the other side. We've been guided by our belief that freedom is not an American privilege, but a value that belongs to all mankind. (Applause.)

The struggle in Iraq may be hard, but this should not be a time for despair. We can have confidence in the final outcome of this struggle, because we have men on our side like Timothy Tardif. The 25-year-old Marine was in an Iraqi town when his squad came under heavy fire. He was engaged in combat so intense that Marine Corps Commandant, General Mike Hagee, described it as a "hand grenade throwing contest." In that combat, Sergeant Tardif was seriously wounded by grenade fragments. Yet he refused medical attention until the battle had been won. Later, when he was evacuated, he called his wife from the transit hospital in Germany and he said this, "Honey, I could come home right now, but I feel I have responsibilities, and I'm going back to Iraq." He borrowed a uniform, he convinced his doctor to let him out of the hospital, and the man returned to his squad.

A lot of you can tell stories like this. Each of you knows a fellow patriot whose name is carried in your heart or who sits proudly beside you in this hall today. I want to thank you for the sacrifices you have made. I thank you for example you have set. And I thank you for the steadfast support of the men and women who wear our uniform.

You know that America can overcome any challenge or any difficulty. You know America's brightest days are still ahead. And you know that nothing we say here -- no speech, or vote, or resolution in the United States Congress -- means more to the future of our country than the men and women who wake up every morning and put on the uniform of our country and defend the United States of America. (Applause.)

I thank you for your time. God bless. (Applause.)



THE WHITE HOUSE

WASHINGTON

MEETING WITH CO-CHAIRS OF THE PRESIDENT'S COMMISSION ON CARE FOR AMERICA'S RETURNING WOUNDED WARRIORS AND DROP-BY MEETING WITH INTERAGENCY TASK FORCE ON RETURNING GLOBAL WAR ON TERROR HEROES

Wednesday, March 7, 2007
10:00 a.m. – 10:35 a.m.
Oval Office / Roosevelt Room
Karl Zinsmeister

I. PURPOSE

To reinforce your Administration's commitment to our Nation's veterans.

II. BACKGROUND

In response to the problems at Walter Reed, you created two new entities (you will meet with both today):

(1) *The President's Commission On Care For America's Returning Wounded Warriors*: This bipartisan commission will examine returning wounded service members' transition from deployment in support of the Global War on Terror to other productive military service or civilian society; evaluate the delivery of health care, disability, traumatic injury, education, employment, and other benefits and services to returning wounded service members by Federal agencies and the private sector; and look at ways to increase access to benefits and services for service members. The Commission will consist of nine members, including co-chairs former Senator Bob Dole and former Health and Human Services Secretary Donna Shalala.

(2) *Interagency Task Force On Returning Global War On Terror Heroes*: Chaired by Secretary Jim Nicholson, the Cabinet-level interagency task force will address the current Federal response to the Walter Reed-type problems, as well as larger transition issues for returning GWOT soldiers. The task force meeting is intended to demonstrate that the Federal government is immediately marshaling available resources and identifying solutions to address this serious problem.

III. PARTICIPANTS

Meeting with Co-Chairs of the President's Commission on Care for America's Returning Wounded Warriors

The Vice President

Commission Co-Chairs

Former Senator Bob Dole (R-KS)

Donna Shalala, Former Secretary, Health and Human Services; President, University of Miami

White House Staff Attending

Joshua Bolten, Chief of Staff

Steve Hadley, Assistant to the President for National Security Affairs

Joel Kaplan, Deputy Chief of Staff for Policy

Karl Rove, Deputy Chief of Staff and Senior Advisor

Dan Bartlett, Counselor to the President

Tony Snow, Press Secretary

Kevin Sullivan, Assistant to the President for Communications

Karl Zinsmeister, Assistant to the President for Domestic Policy (will lead pre-brief)

Drop-by Meeting with U.S. Department of Veterans Affairs Interagency Task Force On
Returning Global War On Terror Heroes

Administration Officials

Secretary Jim Nicholson, Department of Veterans Affairs (will moderate meeting)

Secretary Bob Gates, Department of Defense

Secretary Elaine Chao, Department of Labor

Secretary Margaret Spellings, Department of Education

Director Rob Portman, Office of Management and Budget

Administrator Steven C. Preston, Small Business Administration

Eric Hargan, Deputy Secretary (Acting), Department of Health and Human Services

Roy Bernardi, Deputy Secretary, Department of Housing and Urban Development

Patrick Dunne, Assistant Secretary for Policy and Planning, Department of Veterans Affairs

Clay Johnson, Deputy Director for Management, Office of Management and Budget

White House Staff Attending

Joshua Bolten, Chief of Staff (T)

Steve Hadley, Assistant to the President for National Security Affairs

Joel Kaplan, Deputy Chief of Staff for Policy

Karl Rove, Deputy Chief of Staff and Senior Advisor

Dan Bartlett, Counselor to the President

Tony Snow, Press Secretary

Kevin Sullivan, Assistant to the President for Communications

Karl Zinsmeister, Assistant to the President for Domestic Policy

Tevi Troy, Deputy Assistant to the President for Domestic Policy

IV. PRESS PLAN

Meeting with Co-Chairs:	Pool at End
Drop-by Meeting:	Closed Press

V. SEQUENCE OF EVENTS

Note: There will be a pre-brief in the Oval Office led by Karl Zinsmeister.

- You greet former Senator Bob Dole and former HHS Secretary Donna Shalala in the Oval Office.
- You begin meeting and participate at your discretion.
- The Press Pool is brought in, and you make brief remarks.
- The Press Pool departs, and meeting concludes.
- You drop-by the meeting in the Roosevelt Room.
- You welcome guests and make brief opening remarks.
- You recognize Secretary Nicholson who will speak briefly.
- You recognize Secretary Gates who will speak briefly.
- You conclude participation in your drop-by and depart.

Note: The meeting will continue after your departure.

VI. REMARKS AND ATTACHMENTS

Talking Points Provided by the Domestic Policy Council (for the Meeting with Co-Chairs)
Roosevelt Room Seating Chart

Meeting with the Co-Chairs of the President's Commission on Care for America's Returning Wounded Warriors / Press Pool Talking Points

- I just met with Senator Bob Dole and Former Secretary of Health and Human Services Donna Shalala, who will co-chair my Commission on Care for America's Returning Wounded Warriors. I thank them for leading this important body charged with conducting a comprehensive review of the care America is providing our wounded servicemen and women returning from the Global War on Terror.
- Our servicemen and women deserve the thanks of our Nation, and they deserve the best care our Nation can provide.
- I was deeply troubled by recent reports of substandard conditions at Walter Reed Army Medical Center. Most of the people working at Walter Reed are fine doctors, nurses, and therapists who care deeply about our wounded troops. Yet some of our troops at Walter Reed have experienced bureaucratic delays and living conditions that are less than they deserve. This is unacceptable to me, and it's not going to continue.
- I asked Secretary of Defense Bob Gates to assess the situation firsthand and investigate how this situation happened, and how we can prevent it from happening again. I appreciate Secretary Gates' quick, firm, and compassionate action to set this situation straight.
- But we can do more, which is why I created a bipartisan Presidential Commission to look into the care America is providing our wounded servicemen and women returning from the Global War on Terror and examine their treatment from the time they leave the battlefield through their return to military service or civilian life.
- After completing their review, Senator Dole and Secretary Shalala will report back to me with the Commission's recommendations. I look forward to receiving that report this summer.
- I also created a Cabinet-level interagency task force, led by Secretary Nicholson, to look into how the Federal government can respond to the immediate needs of our returning Global War on Terror service members. I will join the first meeting of the Task Force momentarily.
- Our Nation is blessed to have so many fine Americans who are willing to serve. This country has a moral obligation to provide our servicemen and women with the best possible care and treatment. They deserve it, and they will get it.

President Bush Meets with Co-Chairs of the President's Commission on Care for America's Returning Wounded Warriors

Oval Office

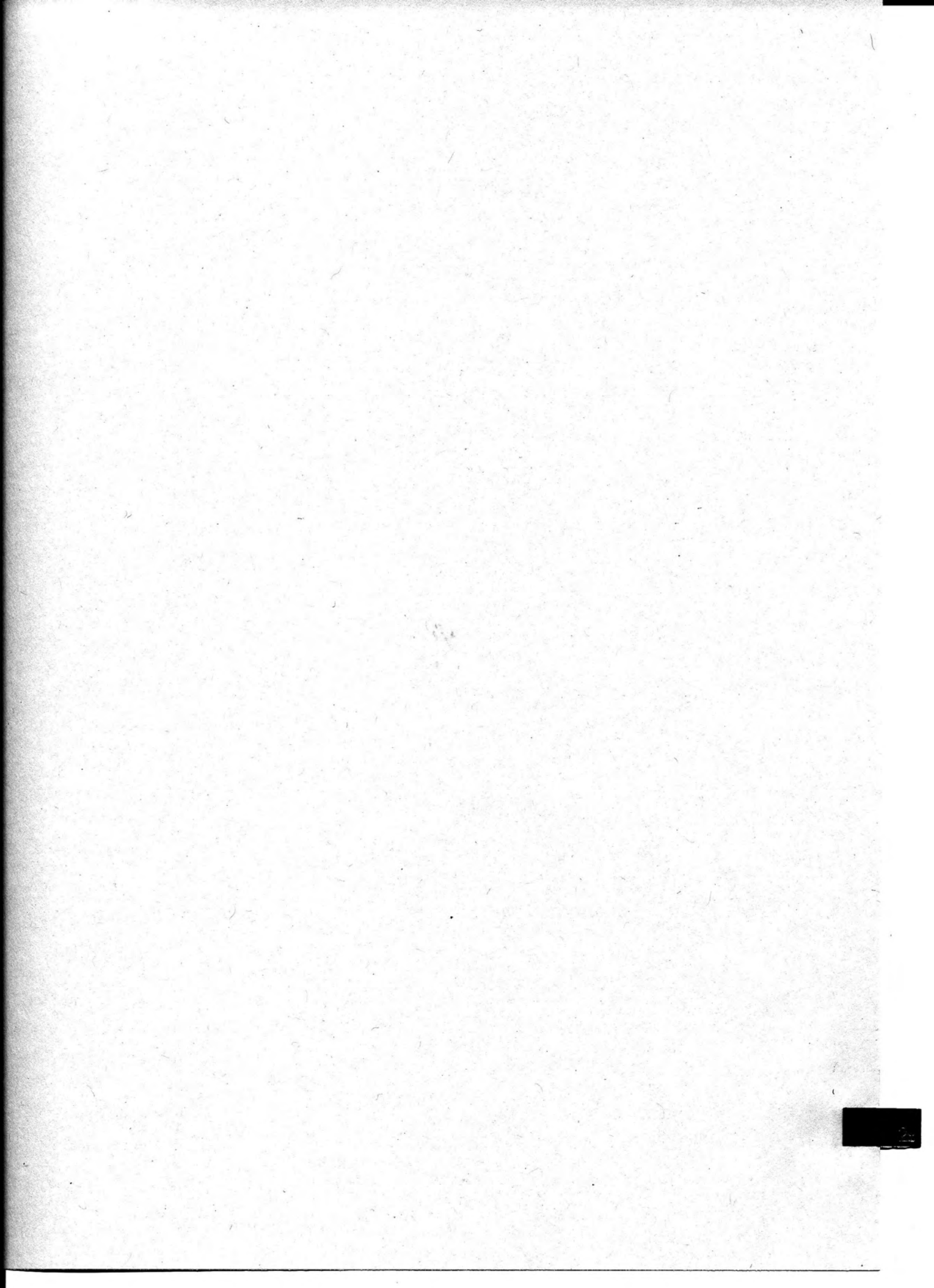
10:12 A.M. EST

THE PRESIDENT: I am concerned that our soldiers and their families are not getting the treatment that they deserve, having volunteered to defend our country. Any report of medical neglect will be taken seriously by this administration, I'm confident by the Congress, and we will address problems quickly.

I've asked two of America's fine public servants, Senator Dole and Secretary Shalala, to chair a commission that will analyze our health care both at the Defense Department and at the Veterans Department, to ensure that not only our soldiers but their families have got complete confidence in the government's upholding its responsibility to treat those who have been wounded.

I am concerned that there may be flaws in the system between when a soldier is on the battlefield, through the Defense Department, through the Veterans Administration, finally to the community. I can't think of two better people to analyze the situation and to make recommendations, two people to lead a commission of an incredible nine people, and that would be Senator Dole, who is himself a veteran, and a wounded veteran at that, a former distinguished Senator, a man who knows Washington well, but more importantly, knows the kind of questions that he needs to ask; and Secretary Shalala, who is an expert on health. She lived after eight years in President Clinton's administration, she knows what to look for, she knows the questions to ask.

And I'm confident that this commission will bring forth the truth. And as I assured the chairmen, I am confident that there will be a quick response to any problems that you may find. So I can't thank you enough for taking time, and to serve your nation once again. God bless. Thank you.



President Bush Meets with the President's Commission on Care for America's Returning Wounded Warriors

Room 180

Dwight D. Eisenhower Executive Office Building

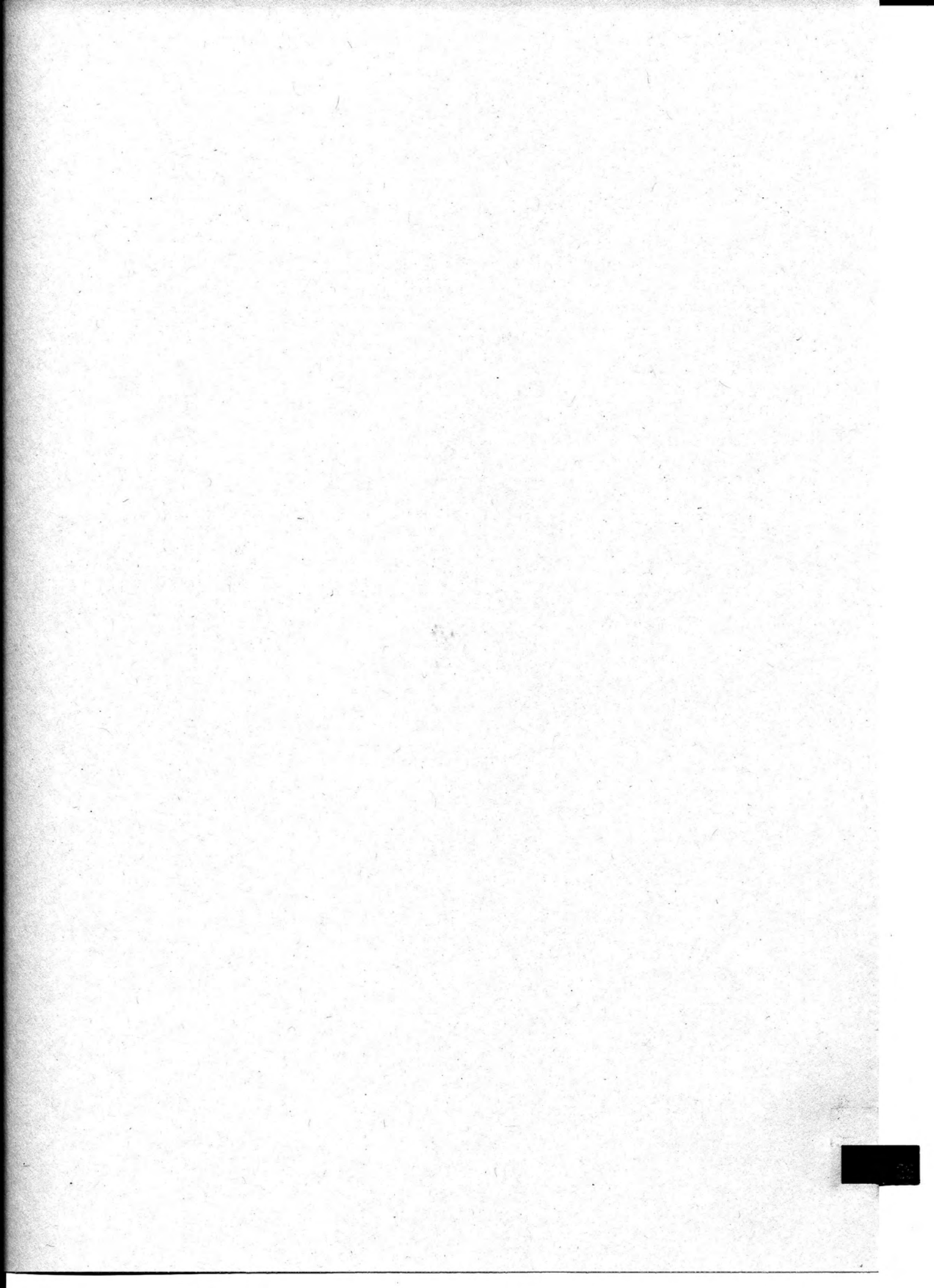
9:10 A.M. EDT

THE PRESIDENT: A couple of weeks ago I announced that Senator Dole and Secretary Shalala agreed to chair a commission of our fellow citizens to look into the health care that our veterans and those in the military are receiving.

Today, I was pleased to meet the commission members that have been selected. We've got Purple Heart recipients, got the wife of a severely wounded troop, we've got a doctor, we've got compassionate people who all care about whether or not our government is fulfilling its responsibility to make sure our health care systems, both at DoD, Defense Department, and at the Veterans Administration are meeting our obligations.

And I assured the members of this committee that I will support their work and will address the problems that they find. We owe it to those who wear the uniform and their families to make sure our troops have the best, and that's what this commission is meant to do. And I thank you for your willingness to serve. You're doing the country a great service, because the commission report will ensure that service goes beyond my time in office. In other words, it'll really set the stage for this presidency and other presidencies, set a standard that we expect government to follow.

So thanks for being here, appreciate your time.



President Bush Visits Troops at Walter Reed Army Medical Center

Walter Reed Army Medical Center

Washington, D.C.

2:12 P.M. EDT

THE PRESIDENT: Thank you. Please be seated. Thank you all for joining me. Every time I come to Walter Reed my spirits are lifted. They're first lifted by the soldiers and Marines who are recovering from some very tough wounds. I had the honor of pinning the Purple Heart on quite a few people today, and I am always impressed by their resolve and their commitment to the country. Every time I come to Walter Reed, I'm also impressed by the care givers -- the docs, the nurses, the people who spend many hours trying to heal those who have been wounded in service to our country.

The soldiers and Marines stay here only for a few months, but the compassion they receive here stays with them for a lifetime. And so on behalf of a grateful nation, I do want to thank our docs and our nurses and care givers for providing extraordinary health care to the people who wear the uniform. I know full well that the work you do is behind the scenes. In other words, you don't get a lot of glory for what you do. But you certainly do from the family members, who first come here and they see their loved one on a bed, wondering whether or not that person will ever walk again. And then, six months later, the body is returning and the spirit is strong, the person is up and moving around -- the family and the soldier is impressed by that care.

Americans must understand that the problems recently uncovered at Walter Reed were not the problems of medical care. The quality of care at this fantastic facility is great. And it needs to remain that way. Independent analysis have given extremely high marks for the quality of care here. In other words, this isn't my assessment, nor is it the assessment of people I have talked to -- the families -- although that's what they believe. It is also the assessment of a joint commission, which accredits thousands of American hospitals. And this commission has given Walter Reed the highest possible rating, a gold seal of approval.

Recently, the commission performed a surprise inspection -- they didn't give a bunch of notice, they showed up and verified the high quality of care here. I want to congratulate you for what you're doing. (Applause.)

The problems at Walter Reed were caused by bureaucratic and administrative failures. The system failed you, and it failed our troops. And we're going to fix it.

I met some of the soldiers who had been housed in Building 18. I was disturbed by their accounts of what went wrong. It is not right to have someone volunteer to wear our uniform and not get the best possible care. I apologize for what they went through, and we're going to fix the problem.

And that's exactly what this government is going to do. We're not going to be satisfied until everybody gets the kind of care that their folks and families expect. And that's what I expect. And we've taken important steps to achieve the objective.

First, Secretary Gates has insisted on accountability in the military command. He made changes in leadership. He made tough decisions, because he, like me, demands results. I welcome

General Schoomaker. But I also welcome General Tucker. Tucker is not a doc. As General Schoomaker informed me, he is a bureaucracy buster. His job is to make sure that the bureaucracy does not get in the way of making sure every soldier, Marine, and their families get the best possible care. And I welcome you to the command, and thank you.

Secretary Gates, as I said, has approved a non-medical deputy commander -- that's Tucker. Building 18 has been closed. We're fixing that which needs to be fixed, including, interestingly enough, putting a new roof on it. The patients from Building 18 have been transferred into Abrams Hall, and I'm pleased to report that living conditions there are of high quality.

We have formed three working groups to help address problems that may exist and may arise. I want to share some of what the -- the strategy behind the working groups is, and that is, first, Gates established -- Secretary Gates established an independent review group, and that was primarily to examine the conditions at Walter Reed and Bethesda. The group will recommend ways to ensure you have what you need to improve medical care.

I heard one recommendation, in other words, one of the care providers said, make sure we always have the best possible equipment, we want to be on the leading edge of technology, not the trailing edge. I agree completely. Those are the kinds of things that Secretary Gates's commission is going to be looking into.

Veterans Affairs Secretary Nicholson is leading a task force of Cabinet officers to identify potential gaps in the services our wounded troops receive as they return from the battlefield. In other words, we want all hands on deck here at the federal level to make sure that health care is as good as it possibly can be. I'm not talking about the health care in the operating room; I'm talking about the bureaucracies that may prevent good health care from being delivered.

Finally, Bob Dole and Donna Shalala will chair a bipartisan presidential commission on care for our wounded warriors. They will conduct a comprehensive view of the entire system for providing physical and emotional care to servicemen and women injured in this war. They will make sure that that person gets high-quality care from the time they suffer their wounds through their return to civilian life.

We want to make sure, for example, that any transfer from the Defense Department to the Veterans Affairs Department is smooth, and that there's not bureaucratic delay or obstacles in the way of making sure that we can report to our fellow citizens that people are getting the best possible health care.

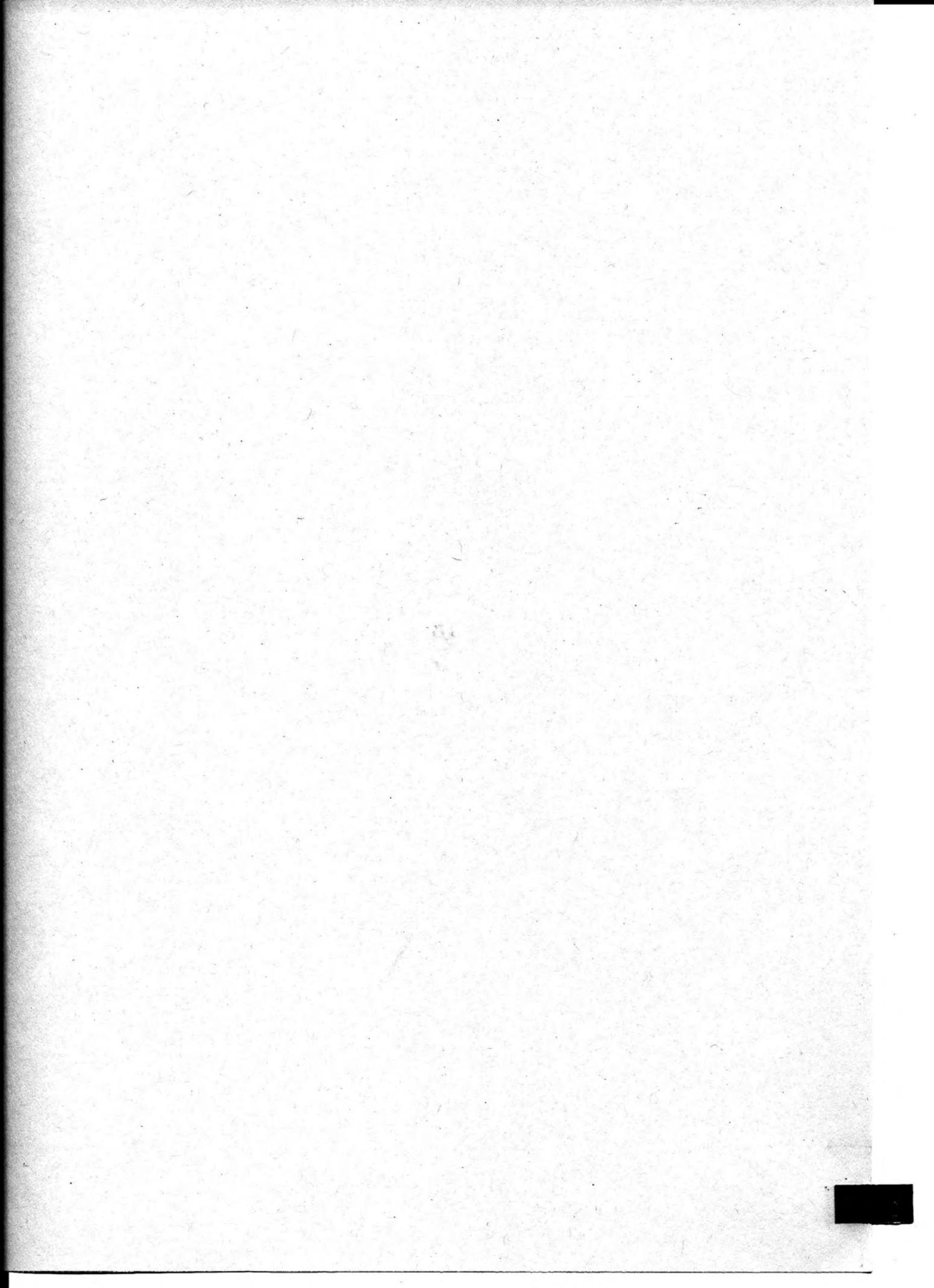
I want to thank those who are working in these groups, and I'm looking forward to getting their recommendations, because I want to make sure our military families can be assured that their loved ones will get the very best.

This military system of ours, when you really think about it, just across the country, it's very complex and it's large. Yet there's nothing complex about what we owe our troops; we owe them the best. That's what you believe here at Walter Reed. I have seen the care and dedication that you give on a daily basis. I just came from the therapy rooms, the physical therapy and the vocational therapy rooms. I see people patiently working with a wounded soldier on how to pick up cards and play cards with their new prosthesis. It's just hours of help all because the people

here recognize each human being matters, each person counts, and each person has endless possibilities, even though they may have received terrible wounds on the battlefield.

None of the problems that we have uncovered can overshadow the great work you do here. That's what you have to know. It's a special calling to serve those who serve our country. It requires a unique person to come here on a daily basis, and to heal the hurts of those who served our country.

And so our nation is grateful, and I'm proud to be your Commander-in-Chief. Thank you very much. (Applause.)



Executive Summary

On March 6, 2007, President Bush created the *Task Force on Returning Global War on Terror Heroes*. The purpose of the Task Force was to improve the delivery of Federal services and benefits to Global War on Terror servicemembers and veterans.

The President appointed the Secretary of Veterans Affairs as Task Force Chair. Membership consisted of the Secretaries of Defense, Labor, Health and Human Services, Housing and Urban Development, and Education, plus the Director of the Office of Management and Budget, the Administrator of the Small Business Administration, and the Director of the Office of Personnel Management. Under the terms of the President's Executive Order, the Task Force had 45 days to complete the following:

- Identify and examine existing Federal services that currently are provided to returning Global War on Terror (GWOT) servicemembers
- Identify existing gaps in such services
- Seek recommendations from appropriate Federal agencies on ways to fill those gaps
- Ensure that appropriate Federal agencies are communicating and cooperating effectively
- Develop a Government-wide Action Plan that ensures that in providing services to these servicemembers, appropriate Federal agencies are communicating and cooperating effectively

The Task Force utilized a gap analysis approach to determine the manner and extent to which services and benefits are provided to GWOT servicemembers and veterans. The Task Force received over 2,400 comments from veterans, active duty personnel, veterans service organizations, and other interested parties.

The Task Force inventoried Federal services and benefits available to servicemembers. Work groups assessed and analyzed emerging themes related to the current delivery of services and benefits. The Task Force focused on recommendations that could be implemented within agency authority and existing resource levels. A focus of the work groups was on timeliness, ease of application, and efficient delivery of services.

One topic from the analysis pertained to evaluating an injured GWOT servicemember's military readiness in a consistent manner across all military branches in conjunction with the VA disability compensation process. As part of this Task Force effort, DoD and VA agreed to develop a joint process of assigning disability ratings used to determine fitness for military retention, level of disability for retirement, and VA disability compensation.

Prior to the Task Force being established, DoD and VA announced an agreement to collaborate on the development of a joint inpatient electronic health record. This initiative will make health care data on shared beneficiaries immediately accessible within both Departments.

Another area of focus derived from the analysis was for Federal entities to collaborate and, in some cases, to co-manage the delivery of services and benefits to injured GWOT servicemembers and disabled veterans. Currently, there are no formal interagency agreements between DoD and VA to transfer case management responsibilities across the military services and VA. A Task Force recommendation calls for VA and DoD to develop a system of co-management and case management that promotes continuity of care.

While not a specific recommendation, the Task Force worked in partnership with the General Services Administration to unveil a new version of *www.usa.gov* to include a specialized section of Internet links to Federal services and benefits available to military servicemembers, veterans, and their families.

The Task Force Report includes 25 recommendations to improve delivery of Federal services to returning military men and women. The recommendations identify responsible agency as well as a discussion, gap analysis, impact statement, and implementation strategy. The Government-wide Action Plan contains steps for individual Department or Agency commitment and incorporates cooperative interaction among those providing complimentary services.

The following recommendations focus on improving the process for receiving services and increased awareness of available benefits among servicemembers and their families:

Health Care

- Develop a system of co-management and case management for returning servicemembers to facilitate ease of transfer from Department of Defense care to VA care.
- Screen all GWOT veterans seen in VA health care facilities for mild to moderate Traumatic Brain Injury.
- Assist the VA enrollment process by modifying the VA 10-10EZ form for GWOT servicemembers, enhance the on-line benefits package to self-identify GWOT servicemember, and expand the use of DoD military service information to establish eligibility for health care benefits.
- Require VA to provide full support at Post-Deployment Health Reassessments for Guard and Reserve members to enroll eligible members and schedule appointments.
- Standardize VA Liaison agreements across all Military Treatment Facilities.
- Expand VA access to DoD records to coordinate improved transfer of a servicemember's medical care through patient "hand-off."
- Enhance the Computerized Patient Record System (CPRS) to more specifically track GWOT servicemembers.
 - Develop a Veterans Tracking Application and identifiers to improve monitoring of returning GWOT servicemembers.
 - Create a Polytrauma identifier to increase recognition of additional needs of those injured servicemembers.
 - Create a Traumatic Brain Injury (TBI) database to track patients who have experienced TBI.
 - Create a DoD/VA interface for health care providers to have access to data on combat theater injured servicemembers.
- Create an "Embedded Fragment" surveillance center to monitor returning servicemembers who have possibly retained fragments of materials in order to provide early medical intervention.
- Enhance capacity for GWOT servicemembers to receive dental care in the private sector as VA continues to improve their capacity for dental services at their facilities.
- Expand collaboration between VA and the Department of Health and Human Services to improve access to returning servicemembers in remote or rural areas.
- VA and the Department of Health and Human Services' Indian Health Service (IHS) will expand coordination on IT interoperability with the goal to adopt standardized data-sharing between the VA and IHS health care partners.

Benefits

- Develop a joint DoD/VA process for disability benefit determinations by establishing a cooperative Medical and Physical Evaluation Board process within the military service branches and VA.
- Extend determination time limit in VA Vocational Rehabilitation and Employment Program beyond 12 months to allow additional time for returning servicemembers to better understand their rehabilitation needs.
- Expedite handling of adapted housing and special home adaptation grants claims by notifying the returning GWOT applicant within 48 hours of rating decision.

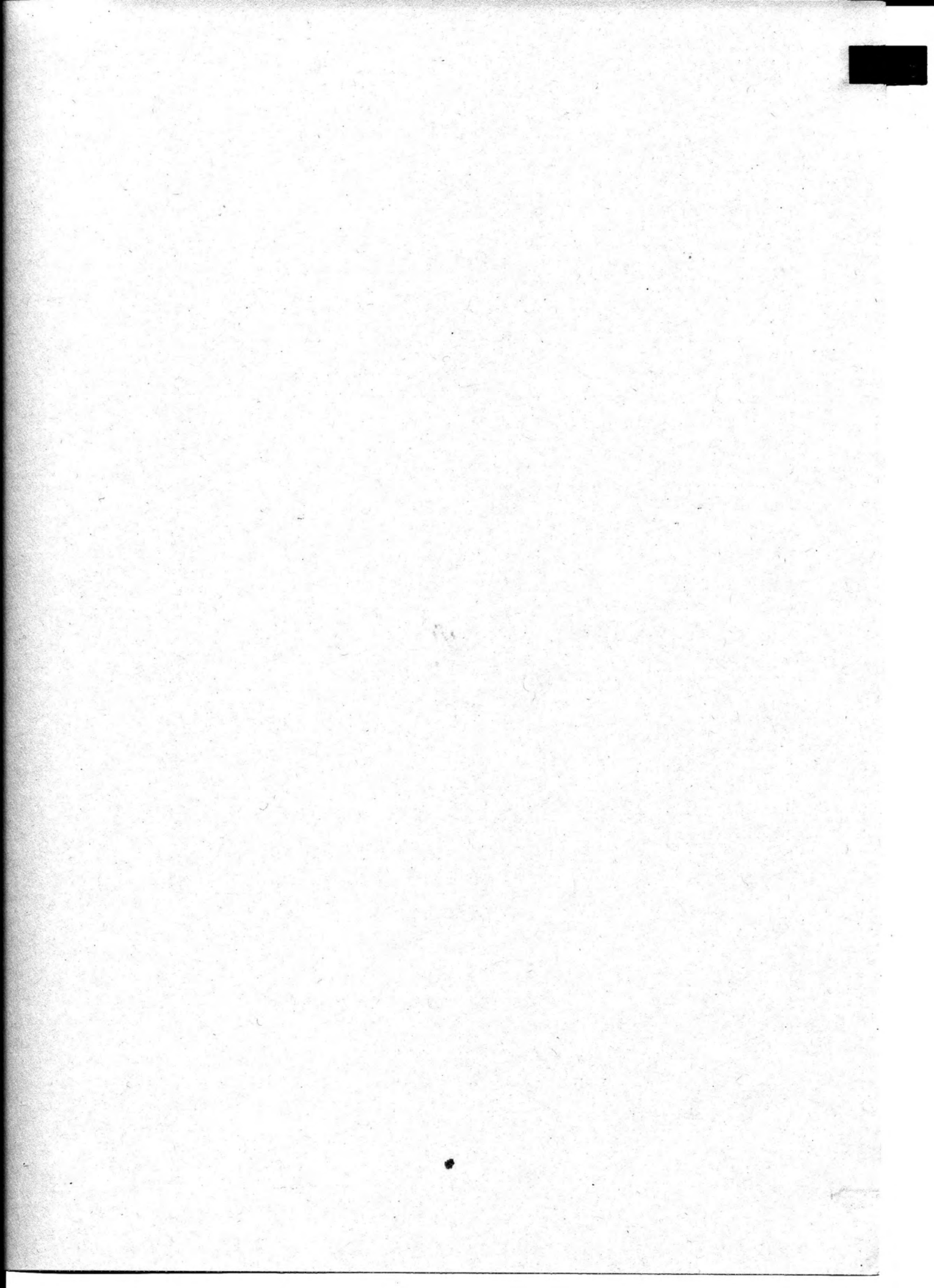
Jobs, Education, and Housing

- Expand eligibility of Small Business Administration PatriotExpress Loan to provide full range of lending, business counseling, and procurement programs to veterans, service-disabled veterans, reservists, and families if the desire for a returning servicemember or family is to obtain self-employment.
- DoD and the Department of Labor will collaborate to improve Civilian Workforce Credentialing and Certification allowing for greater exposure of a servicemember's military experience to civilian opportunities.
- The Department of Labor will work with DoD to develop a Wounded Veterans Intern Program to provide valuable work experience to injured GWOT servicemembers while they are in medical hold status and are transitioning to separate from military service.
- The Department of Housing and Urban Development will expand access to the National Housing Locator (NHL) to be used by servicemembers and veterans through DoD and VA. The NHL was initially launched as a response to needs for victims of Hurricane Katrina. By expanding its use, returning servicemembers will have a resource that provides safe, disability accessible if needed, and affordable housing to ease in the potential re-location to a new geographic area.

Outreach

- Increase attendance at the Transition Assistance and Disabled Transition Assistance Programs (TAP/DTAP) for active duty, Guard, and Reserve.
- The Department of Education, in cooperation with the Department of Labor, will participate in DoD job fairs to provide returning servicemembers and their families with an awareness of the post-secondary education benefits available.
- The Department of Labor, through the Veterans' Employment and Training Service (VETS), will participate in the Workforce Investment System in every state and territory and partner with over 120 private and public sector job fairs to expand the number of employers involved in active veteran recruitment.
- The Department of Labor and DoD will promote awareness of the Uniformed Services Employment and Reemployment Rights Act (USERRA) rights to improve active duty, Guard, and Reservists' understanding of their rights at entry to, during, and exiting from military service.
- The Department of Education will provide education benefits training to the 211 Transition Assistance Program sites serving over 150,000 transitioning servicemembers annually.
- The Office of Personnel Management will expand their military treatment facility outreach to promote the availability of Federal employment and veterans' preference rights.
- The VA Global War on Terrorism newsletter mailed quarterly to returning servicemembers will be modified to provide consistent summaries and awareness of available Federal services and benefits.

In summary, the Task Force focused on actions to improve government performance and results. Agencies will be expected to implement recommendations within agreed upon target dates.



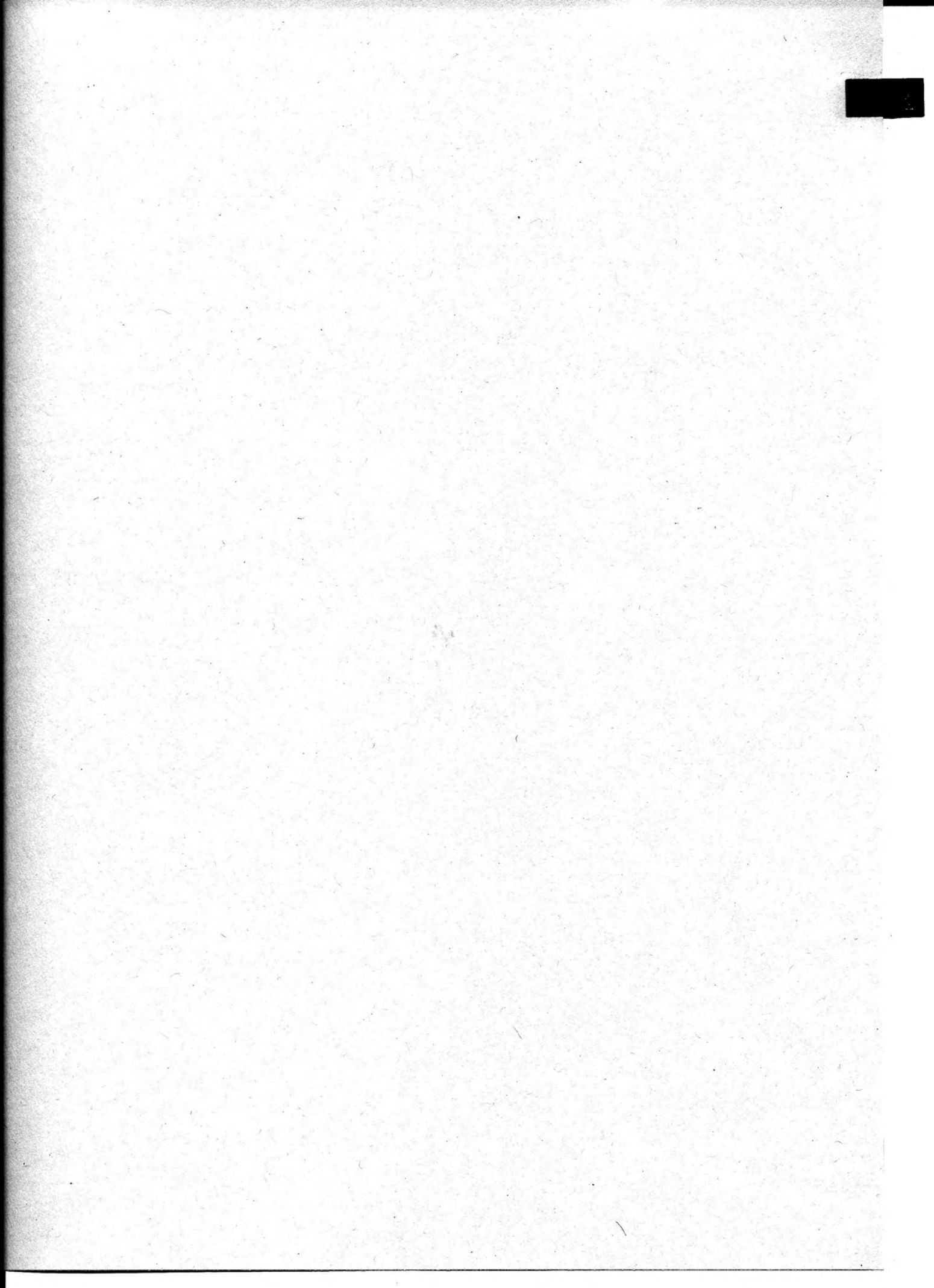
President Bush Commends Interagency Task Force on Returning Global War on Terror Heroes

The brave men and women who have volunteered to protect and defend our country deserve to receive the highest level of support from our grateful nation. Today, Secretary of Veterans Affairs Jim Nicholson and members of the Interagency Task Force on Returning Global War on Terror Heroes released a government-wide action plan that sets out steps to improve our care for America's troops and veterans.

The Task Force has proposed specific recommendations to immediately begin addressing the problems and gaps in services that were identified across the veterans and military healthcare systems. These recommendations include directing the Department of Defense and the Department of Veterans Affairs to develop a joint process for disability determination. Additionally, I have asked Secretary Nicholson to communicate directly with the members of the Commission on Care for America's Returning Wounded Warriors to ensure that both groups exchange ideas and information that will efficiently advance reform efforts.

I commend the work of the Task Force, welcome its recommendations, and have directed Secretary Nicholson to work with all agencies involved on the recommendations and to report back to me within 45 days on how these measures are being implemented.

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DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

May 3, 2007

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
CHIEFS OF THE MILITARY SERVICES
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF
DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION

SUBJECT: Senior Oversight Committee

Yesterday, Secretary Gates asked me to chair an oversight committee of senior military and civilian officials to ensure that the recommendations of the Independent Review Group, the President's Commission on Care for Returning Wounded Warriors, and the Interagency Task Force are promptly and properly integrated and implemented, coordinated and resourced.

To ensure the proper oversight and inter-agency coordination, the Department will establish a Senior Oversight Committee. This body will streamline, deconflict, and expedite the Department's efforts to improve the medical care process, disability processing, and transition activities to the Department of Veterans Affairs for all military personnel, but particularly to improve the support of an injured Service member's recovery, rehabilitation, and reintegration. I will personally chair the oversight body and membership will include: the Service Secretaries, the Chairman or Vice Chairman of the Joint Chiefs of Staff, the Comptroller, the Under Secretary of Defense for Personnel and Readiness (P&R), the Service Chiefs or Vice Chiefs, the Assistant Secretary of Defense for Health Affairs, the DoD General Counsel, the Director of Administration and Management, and a senior representative from the Department of Veterans Affairs. This oversight body will meet weekly with the first meeting at 3 PM, May 8, 2007.

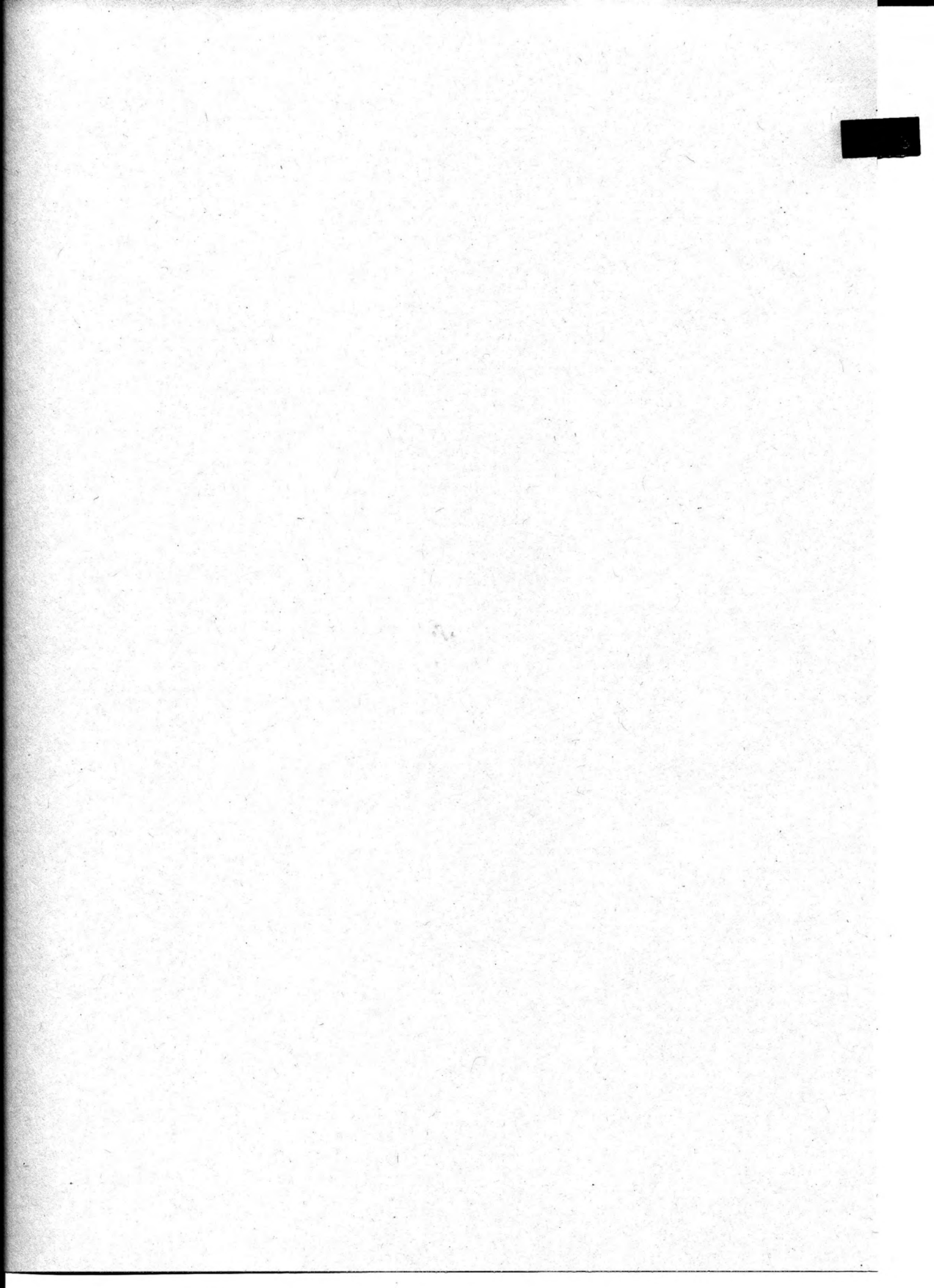
cc:
Secretary, Department of Veterans Affairs

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

THE DIRECTOR

May 25, 2007

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2206 -- U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007

Sponsors: Representative Obey (D), Wisconsin
Senator Byrd (D), West Virginia

Last Day for Action

June 6, 2007 -- Wednesday [Note: this assumes that the White House receives the bill on Friday, May 25th]

Purpose

H.R. 2206 provides \$120 billion -- in FY 2007 supplemental appropriations for the Global War on Terror (GWOT), hurricane disaster relief and recovery, and other purposes. The bill was passed by the Congress after you vetoed the first emergency war supplemental bill (H.R. 1591) on May 1, 2007, and the House failed to override your veto by a vote of 222-203 on May 2, 2007.

Through negotiations with the Congress, the Administration succeeded in removing highly objectionable language that would have set an arbitrary date for withdrawal of American troops in Iraq and place restrictions on military commanders. In addition, the Administration succeeded in removing from the bill \$4.2 billion in unrequested spending. The Administration also worked to eliminate the most egregious examples of unrelated provisions, including for Capitol tours and spinach growers.

The bill includes benchmarks for the Iraqi government, ties U.S. economic aid to meeting these benchmarks, and requires that you report to the Congress on progress in meeting those benchmarks, while allowing you to waive any cutoff of economic aid.

Agency Recommendations

Office of Management and Budget	Approval
Department of Defense	Approval
Department of State	Approval
National Security Council	Approval
Department of Homeland Security	Approval
Office of Gulf Coast Recovery	Approval

Department of Agriculture	Approval
Department of Health and Human Services	Approval
Department of Veterans Affairs	Approval
Other affected departments and agencies	Approval (Assumed)

Funding Summary

H.R. 2206 provides \$120 billion in net discretionary budget authority for the following major programs:

- GWOT -- \$106.1 billion for activities generally in support of GWOT, including \$96.4 billion for the Department of Defense's (DOD) military operations, \$6.1 billion for international functions, approximately \$0.6 billion for other agencies, and \$3.1 billion for military base realignment and closure.
- Veterans Affairs -- \$1.8 billion.
- Homeland Security -- \$1.1 billion.
- Hurricane Recovery -- \$6.3 billion generally for hurricane recovery and disaster relief.
- Other Provisions -- Over \$1.2 billion for other programs, including nearly \$0.5 billion for wildland fire management, \$0.4 billion for State Children's Health Insurance Program, and \$0.4 billion for Secure Rural Schools.
- Farm payments -- \$3.0 billion.

In addition, the bill includes provisions that would delay Medicaid program integrity efforts, and provide a minimum wage increase and small business tax relief.

The components of H.R. 2206 passed the House in two separate votes. Your requested supplemental and Iraq policy provisions passed the House 280-142 on May 24, 2007; a package of unrequested spending and other provisions passed the House 348 - 73 on May 24, 2007. All of these provisions were combined into H.R. 2206, which passed the Senate as a single package 80-14 on May 24, 2007.

Global War on Terror

Benchmarks to Measure Progress in Iraq. Unlike the vetoed bill, the enrolled bill does not include language mandating withdrawal or redeployment from Iraq according to an arbitrary timeline. The bill highlights 18 benchmarks for measuring the performance of the Iraqi government.

Specifically, the bill requires you to report to the Congress, no later than July 15, 2007 and again no later than September 15, 2007, on the progress the Government of Iraq (GOI) has made on each of the following:

- 1) Forming a Constitutional Review Committee and completing a constitutional review;
- 2) Enacting and implementing legislation to reintegrate Baathists into Iraqi society;
- 3) Enacting legislation to equitably distribute hydrocarbon revenue;

- 4) Enacting and implementing legislation on procedures to form semi-autonomous regions;
- 5) Enacting and implementing election laws;
- 6) Enacting and implementing amnesty legislation;
- 7) Enacting and implementing legislation to disarm militias;
- 8) Establishing political, media, economic, and services committees to support the Baghdad Security Plan;
- 9) Providing three trained and ready Iraqi brigades to support operations in Baghdad;
- 10) Providing authority and operational freedom for Iraqi Commanders to perform their mission and pursue extremists (Sunni and Shia alike) in consultation with U.S. commanders;
- 11) Ensuring even-handed enforcement of laws by Iraqi Security Forces;
- 12) Ensuring that Prime Minister Maliki "said 'the Baghdad Security Plan will not provide a safe haven for any outlaws regardless of their sectarian or political affiliation.'";
- 13) Reducing the level of sectarian violence and eliminating militia control of local security;
- 14) Establishing all of the planned joint security stations in Baghdad;
- 15) Increasing the number of Iraqi Security Force units capable of operating independently;
- 16) Ensuring that the rights of minority political parties in the Iraqi legislature are protected;
- 17) Allocating and spending \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis; and
- 18) Ensuring that Iraqi politicians do not undermine Iraqi Security Forces.

If you cannot certify that Iraq has made satisfactory progress towards achieving all of these benchmarks, the enrolled bill calls on you to include in your report a description of how you would revise the U.S. strategy announced on January 10, 2007. Furthermore, the bill requires, at a time to be agreed upon by the Administration, General Petraeus and Ambassador Crocker to testify before Congress prior to the submission of the September 15 report.

The bill prohibits obligating or expending Economic Support Funds for Iraq until you certify that Iraq is making progress on each of the 18 benchmarks. You may, however, waive the prohibition by submitting a detailed justification for the waiver in writing. The bill also provides \$1.6 billion in new funding for Economic Support Funds.

Finally, the bill requires two independent assessments:

- 1) The Comptroller General shall submit a report by September 1, 2007, on the status of Iraq's efforts to achieve the benchmarks; and
- 2) DOD shall contract with a private sector entity to evaluate, within 120 days of enactment, the capability of Iraqi Security Forces.

Department of Defense. You requested \$93.4 billion for war-related activities for DOD. The Congress provided \$99.5 billion, a \$6.1 billion increase. More than half of the increase was for the \$3.1 billion added by the Congress for Base Realignment and Closure activities. Another \$1.9 billion of the increase was for unrequested Defense Health funding. Details on specific changes to your request follow.

Military Personnel. You requested \$12.4 billion to fund the incremental costs for mobilized reserve forces and incremental pay for active duty personnel, in addition to funding for enhanced recruiting and retention initiatives. The enrolled bill adds nearly \$1.2 billion to your request, mainly to increase Basic Allowance for Housing funding.

Operation and Maintenance (O&M). You requested \$48.1 billion for the ongoing costs of the war, and received a cut of \$300 million from your request. This funding provides for the incremental costs of military ground operations, flying hours, steaming hours, transportation, and equipment repair and maintenance, and fully funds the request of \$9.7 billion to build effective Afghan and Iraq Security Forces. The bill adds \$1.6 billion in unrequested funding for a Strategic Readiness Reserve, including \$1 billion for equipment for the National Guard and Reserves, for improving the readiness of non-deployed U.S. military forces.

Defense Health Program. You requested \$1.1 billion for war-related costs for the Defense Health Program. The enrolled bill adds over \$1.9 billion. Almost \$700 million of the unrequested funding pays for the Congress' failure to enact requested health care user fees. Another \$900 million supports post traumatic stress disorder and traumatic brain research and treatment.

Procurement. You requested \$27.2 billion for the procurement of aircraft, missiles, ammunition, and vehicles. The enrolled bill includes a net increase to your request of approximately \$800 million. The enrolled bill provides \$3 billion for Mine Resistant Ambush Protected vehicles, \$1.2 billion above your request.

Defense Working Capital Funds. You requested \$1.3 billion for the Defense Working Capital Funds to pay for spare parts, war reserves, combat inventory, and fuel transportation costs. The bill provides \$200 million less than requested.

Military Construction. You requested \$1.7 billion to construct facilities and build roads critical to the ongoing missions in Iraq and Afghanistan. The bill supports your requested funding. However, the bill prohibits obligation of \$726 million until the Secretary of Defense submits a detailed stationing plan to support Army and Marine Corps end-strength growth.

Base Realignment and Closure (BRAC) Funding. The enrolled bill funds the \$3.1 billion shortfall needed to fully fund the FY 2007 implementation of the 2005 BRAC Commission recommendations. In the full-year continuing resolution for FY 2007, Congress failed to fund BRAC requirements in order to increase funding for domestic programs. Congress chose to include the BRAC funding in this bill rather than offset it from lower priority programs as you requested.

Transfer Authority. The bill does not provide the additional \$3.5 billion in FY 2007 transfer authority that you requested to restore funding to base accounts that DOD has used to support ongoing GWOT operations. The bill does exempt some FY 2007 transfers from the overall limitation. DOD indicates that these exemptions will provide sufficient transfer authority to sustain operations and to address the needs of our commanders in the field.

Classified Funding. The enrolled bill also provides funding for classified intelligence activities. Although the bill is slightly less than your request for these activities, the Intelligence Community should have sufficient resources to carry out their responsibilities in the war on terror.

International Affairs

Iraq Assistance. The bill provides \$2.1 billion for Iraq to support counter-insurgency and stabilization programs, the transition to Iraqi self-reliance, and to provide aid for refugees and internally displaced persons. This is \$288 million less than you requested.

Iraq Operations. The enrolled bill includes \$789 million for State and USAID operating expenses in Iraq, approximately \$70 million less than your request.

State Department Office of the Inspector General (OIG) and the Special Inspector General for Iraq Reconstruction (SIGIR). The bill provides \$35 million for SIGIR and \$1.5 million for State IG oversight for Iraq and Afghanistan, as requested.

Afghanistan. The enrolled bill provides \$940 million, \$189 million more than you requested for reconstruction, diplomatic operations, and security costs.

Sudan. The bill supports your request by providing \$363 million for Sudan, of which \$306 million is for Darfur. The bill includes \$194 million for humanitarian and refugee assistance, food aid and other needs, including \$154 million to support the people of Darfur and \$40 million for other parts of Sudan. It also provides \$150 million to continue support for the African Union peacekeeping mission in Darfur. The enrolled bill does not provide the requested transfer authority between peacekeeping accounts, thus limiting the flexibility to fund peacekeeping efforts in Sudan.

Lebanon. The bill supports your request of \$770 million for reconstruction, security assistance, and peacekeeping in Lebanon, consistent with your request. In order to spend security assistance funds the enrolled bill requires a certification by the Secretary of State that recipients of assistance are not engaged in terrorist activities.

Kosovo. The enrolled bill provides \$214 million for economic assistance to Kosovo, \$65 million below your request.

Emergency Food Aid. The enrolled bill provides \$270 million, \$100 million above your request to address emergency food needs in countries other than Sudan and Afghanistan.

Including Sudan and Afghanistan, total funding in the enrolled bill for emergency food aid is \$450 million.

Special Immigrant Visas for Iraqi Translators or Interpreters. The bill expands existing authority to provide special immigrant visas for Iraqi translators. The bill makes this authority available to the Chief of Mission in Iraq and expands the number of visas available to 500 in 2007 and 2008.

Refugees. The bill provides a total of \$130.5 million in the refugee assistance account, \$59 million above your request. The bill funds your request of \$11.5 million for the Democratic Republic of the Congo, \$5 million for Burundi, \$40 million for West Bank/Gaza, and adds \$30 million for Iraq, \$16 million for Afghanistan, and \$13 million for unforeseen events. The enrolled bill also provides \$55 million for emergency refugee assistance, \$25 million higher than your request.

Civilian Reserve Corps. The enrolled bill provides authority to use up to \$50 million from the State Department's Diplomatic and Consular Affairs Programs account to initiate a Civilian Reserve Corps, subject to enactment of authorization legislation.

Avian Influenza. The bill includes \$161 million to combat the spread of avian influenza, consistent with your request, and also authorizes you to use additional funds from the Millennium Challenge Corporation and Global HIV/AIDS accounts if human-to-human transmission of the disease becomes a threat.

Unrequested funds. The enrolled bill provides additional funding not included in your request including: \$45 million for security assistance to Liberia; \$80 million for military, refugee, and economic assistance to Jordan; \$40 million for unforeseen humanitarian requirements; and \$13 million for economic assistance to Nepal, Philippines, and Vietnam.

Other Items

Department of Homeland Security. You requested no funding for the Department of Homeland Security, except for the Federal Emergency Management Agency (FEMA) in support of continuing Hurricane Katrina recovery efforts. The enrolled bill provides \$1.1 billion in unrequested funding for a variety of homeland security activities including rail and port security grants, emergency management, urban disaster and communications planning grants, and related technical assistance, explosive detection equipment, radiation portal monitors, CBP aircraft inspectors, and expanded cargo screening at overseas ports of entry. Nearly all of these programs are addressed in FY 2007 Appropriations and your FY 2008 Budget.

Department of Justice. The bill includes \$306 million for the Department of Justice to expand counterterrorism programs and support ongoing activities in Iraq and Afghanistan. The funding, most of which is directed to the Federal Bureau of Investigation (FBI), provides \$162 million of the \$173 million requested, as well as \$144 million in unrequested funding for the FBI and the Drug Enforcement Administration.

Veterans Affairs (VA). You requested no funding for the VA. The enrolled bill provides nearly \$1.8 billion for VA programs. Most of this unrequested funding is for combat-specific medical services, research, and facility improvements; a small amount is for improving disability claims processing times.

Hurricane Recovery

Disaster Relief Fund. Your request included \$3.4 billion for the FEMA Disaster Relief Fund to continue Federal hurricane recovery efforts. The enrolled bill provides \$4.1 billion or \$0.7 billion more than your request. The bill also mandates the States of Louisiana, Mississippi, Florida, Alabama, and Texas receive a 100-percent Federal cost share for FEMA public and individual assistance related to Hurricanes Katrina, Rita, Wilma, and Dennis and would allow forgiveness of community disaster loans made to local governments following the 2005 Gulf Coast hurricanes.

Small Business Administration (SBA). The bill transfers \$150 million from unobligated disaster loan balances to FEMA's Disaster Relief Fund and also allows SBA to use \$181 million in unobligated balances to cover additional FY 2007 and expected FY 2008 disaster loan program administrative expenses. Both provisions are similar to proposals in your FY 2008 Budget request for SBA. However, the bill also amends the Small Business Act to authorize unlimited renewal of Federal grant funding for Women's Business Centers, contrary to the original statutory intent to 'graduate' centers from Federal support.

Corps of Engineers. The enrolled bill provides \$1.3 billion to carry out hurricane protection activities, in lieu of the Administration's proposal to re-allocate existing funds for this purpose. The bill also provides \$108 million for hurricane and flood mitigation projects in coastal Mississippi and \$25 million for drainage in New Orleans.

Education Funding. The enrolled bill includes \$60 million in funding for Department of Education programs. This funding includes \$30 million for Louisiana, Mississippi, and Alabama to aid in reopening schools that were closed due to Hurricane Katrina or Hurricane Rita. To date, the Federal Government has given \$1.5 billion to help these States reopen schools and educate students, nearly \$400 million of which has been unspent and can be used for this purpose.

The funding also includes \$30 million for institutions of higher education that closed, relocated, or significantly curtailed their activities, to defray any expenses they may have incurred. To date, these institutions have received \$327 million for these purposes from previous supplemental appropriations and administrative actions.

The bill includes nearly \$8.6 million in unrequested funding for Safe and Drug Free Schools National Activities that would be targeted to those schools identified as "persistently dangerous" under No Child Left Behind. Only 44 schools nationwide are deemed persistently dangerous, of which nine are in Philadelphia. This additional funding is offset by rescissions to Department of Labor programs.

National Oceanic and Atmospheric Administration. The bill provides \$110 million of unrequested funding for Gulf Coast fisheries, notwithstanding the availability of low-interest disaster loans, which are the principal means for assisting businesses injured by disasters.

Department of Transportation. The enrolled bill provides \$871 million for Federal Highway Emergency Relief projects largely unrelated to the Gulf hurricanes. The funding will fund a backlog of eligible projects. The enrolled bill also provides \$35 million for assistance to transit authorities in the Gulf region.

Byrne Discretionary Grants. The bill includes \$50 million in unrequested funds to the Department of Justice's Byrne Grants for violent crime initiatives in the Gulf Coast region in the aftermath of Hurricanes Katrina and Rita.

Other Matters

Wildfire Suppression. The bill includes \$465 million for emergency wildfire suppression -- \$370 million to the Department of Agriculture's (USDA's) Forest Service and \$95 million to the Department of the Interior's (DOI's) Bureau of Land Management. These funds are in addition to the 10-year average for wildland fire suppression costs that Congress has already provided for FY 2007.

County School Payments. H.R. 2206 provides \$425 million in emergency funds for a one-year extension of the Secure Rural Schools and Community Self-Determination Act, originally enacted in 2000. Your Budget proposed a phased-out, offset extension of this county payments law. While this provision presents concerns, the bill does not include funding for a non-offset multi-year extension of the program.

World Trade Center Emergency Responder Health. The enrolled bill includes \$50 million for continuing health care monitoring and treatment of emergency responders experiencing health problems due to exposure to toxins at the World Trade Center, which is unnecessary at this time. HHS estimates that the \$75 million previously appropriated for World Trade Center emergency responder health care costs will last through the end of FY 2007. The FY 2008 Budget includes \$25 million to maintain support for World Trade Center emergency responder health care and screening while the Administration determines the best long-term option for continued health care and monitoring.

National Oceanic and Atmospheric Administration. The bill provides \$60 million of unrequested funding for West Coast fishermen and related businesses affected by the Klamath River "fishery failure". This funding is well above the likely economic loss.

Corps of Engineers. The enrolled bill provides \$153 million for activities in several States to respond to past storms. It also provides \$19 million for activities related to recent flooding in New York State, and \$3 million for dredging in Alabama related to the impacts of Hurricane Dennis in 2005.

Department of the Interior, Bureau of Reclamation. The bill provides \$18 million for drought assistance to the West.

National Energy Technology Laboratory (NETL). The enrolled bill designates all current Federal employees at NETL as inherently governmental. This designation would prevent the Department of Energy from using public-private competition to improve commercial support operations and would be inconsistent with treatment of employees at other national laboratories who perform commercial work.

Department of Energy, Bonneville Power Administration (BPA). The bill would block spending of any funds in FY2007 to implement the President's FY 2008 Budget proposal for BPA to prepay its bonded Treasury debt using excess secondary revenues.

Pension Protection Act (PPA) Amendments. The enrolled bill includes numerous amendments to the PPA. Most significantly, it includes an accommodation sought by Continental and American airlines that would allow airlines that do not freeze their pension plans to use a higher-than-market discount rate that will artificially lower the funding target for these plans during the 10-year period they have to fully fund their pension plans. This will allow them to avoid over \$2 billion in contributions to their Pension Benefit Guaranty Corporation (PBGC)-guaranteed pension plans over 10 years, which would raise PBGC's projected liability by as much as \$500 million over 10 years (in present value terms). The bill also carves out additional exemptions for individual companies from the requirements of the PPA. PBGC already has an \$18 billion gap between its assets and liabilities -- these provisions could further weaken its financial position.

Mine Safety and Health Administration Public-Private Competitions. The enrolled bill blocks the Department of Labor's Mine Safety and Health Administration (MSHA) from using FY 2007 appropriations for contracts that were entered into or carried out as a result of an A-76 public-private competition and states that all MSHA employees shall be deemed inherently governmental (and not suitable for competition).

Mexican Trucking Pilot Program. The enrolled bill would bar DOT from implementing its Mexican trucking demonstration until a variety of conditions are met, including an Inspector General review and additional data reporting requirements. DOT voluntarily agreed to comply with an earlier version of this provision, but additional provisions in the enrolled bill will delay the program past the planned July rollout. The conditions set out in the enrolled bill have no demonstrable safety impact, and are consistent with past Congressional action to delay measures aimed at fully implementing NAFTA trucking provisions.

Health Matters and Fair Minimum Wage and Tax Relief

State Children's Health Insurance Program (SCHIP). The bill includes up to \$650 million in funding to address SCHIP FY 2007 State funding shortfalls. Net of Medicaid interactions the cost is \$435 million.

Medicaid Program Integrity. The enrolled bill institutes a one-year moratorium for two Medicaid program integrity regulations (payment reform and graduate medical education) included in your FY 2008 Budget. The bill includes a partial offset requiring the use of Tamper Resistant Prescription Pads, which is similar to the proposal included in your Budget request. The net impact of these provisions under OMB scoring is a cost of \$120 million in FY 2007 and \$880 million over the FY 2007-2012 period.

Minimum Wage and Related Tax Provisions. The bill increases the Federal minimum wage by \$2.10 over two years, to \$7.25 per hour. It also includes business-related tax provisions that would reduce revenue by \$4.844 billion in FY 2007-2017 and other provisions that would increase revenue by \$4.899 billion over the same 11-year period, according to Joint Committee on Taxation estimates.

Tax provisions include: 1) extending the work opportunity credit (WOTC) from December 31, 2007, until September 1, 2011, including targeted credits for counties with declining populations and for disabled veterans (\$2.571 billion); 2) S Corporation rules changes (\$892 million); 3) allowing the WOTC and tip credit to offset alternative minimum tax liability (\$617 million); and 4) allowing employers to determine the tip tax credit based on the minimum wage in effect as of January 1, 2007 (\$457 million).

Revenue offset provisions include: 1) extending from 18 months to 36 months the period that the IRS has to notify a taxpayer of a tax deficiency before the IRS must stop charging interest and certain penalties (\$2.430 billion); 2) raising the age from under-18 years to under-19 years (and under-24 years if a student) at which a child's unearned income in excess of \$1,700 is taxed at the parent's unearned income tax rates (\$1.432 billion); and 3) three proposals to reduce the "tax gap" that are similar to proposals in the FY 2008 Budget (\$468 million).

Agriculture

Agricultural Disaster Assistance. The enrolled bill provides an unrequested \$3.0 billion for agricultural disaster assistance in 2007. Your Administration has repeatedly opposed providing agricultural disaster assistance that is not offset. However, due to your Administration's efforts, the agricultural assistance package has been significantly reduced, eliminating assistance to special interests and reducing the size of the package by \$500 million. Though the farm economy is strong, with both crop and livestock receipts forecast to be record-high in 2007, there were pockets of loss. The enrolled bill provides \$1.55 billion for traditional crop disaster assistance, more than \$1.2 billion for livestock assistance, \$16 million for the Emergency Conservation Program, \$16 million for assistance to dairy producers, and \$115 million for the Conservation Security Program.

Milk Income Loss Contract (MILC) Program. Your Administration proposed extending the MILC program in its 2007 Farm Bill proposal and you have repeatedly voiced your support for the program. The enrolled bill extends MILC by one month, which costs \$31 million, but which also triggers budget scoring rules that have the effect of adding more than \$2.4 billion to the cost of farm programs over the next 10 years.

Constitutional Concerns

The enrolled bill includes provisions that could be read as infringing upon the President's constitutional authority as Commander in Chief, authority to conduct diplomatic, military, and intelligence activities and authority to supervise the executive branch. In particular, section 1314, in its legislative description of the strategy of the United States and by purporting to mandate the redeployment of U.S. forces under certain circumstances, and section 3301 could be read to unreasonably burden the President's authority as Commander in Chief. Further, numerous provisions of the Act, including sections 1314 and 3303, require reports on sensitive military activities. In addition, certain provisions purport to require approval by congressional committees prior to the execution of the law.

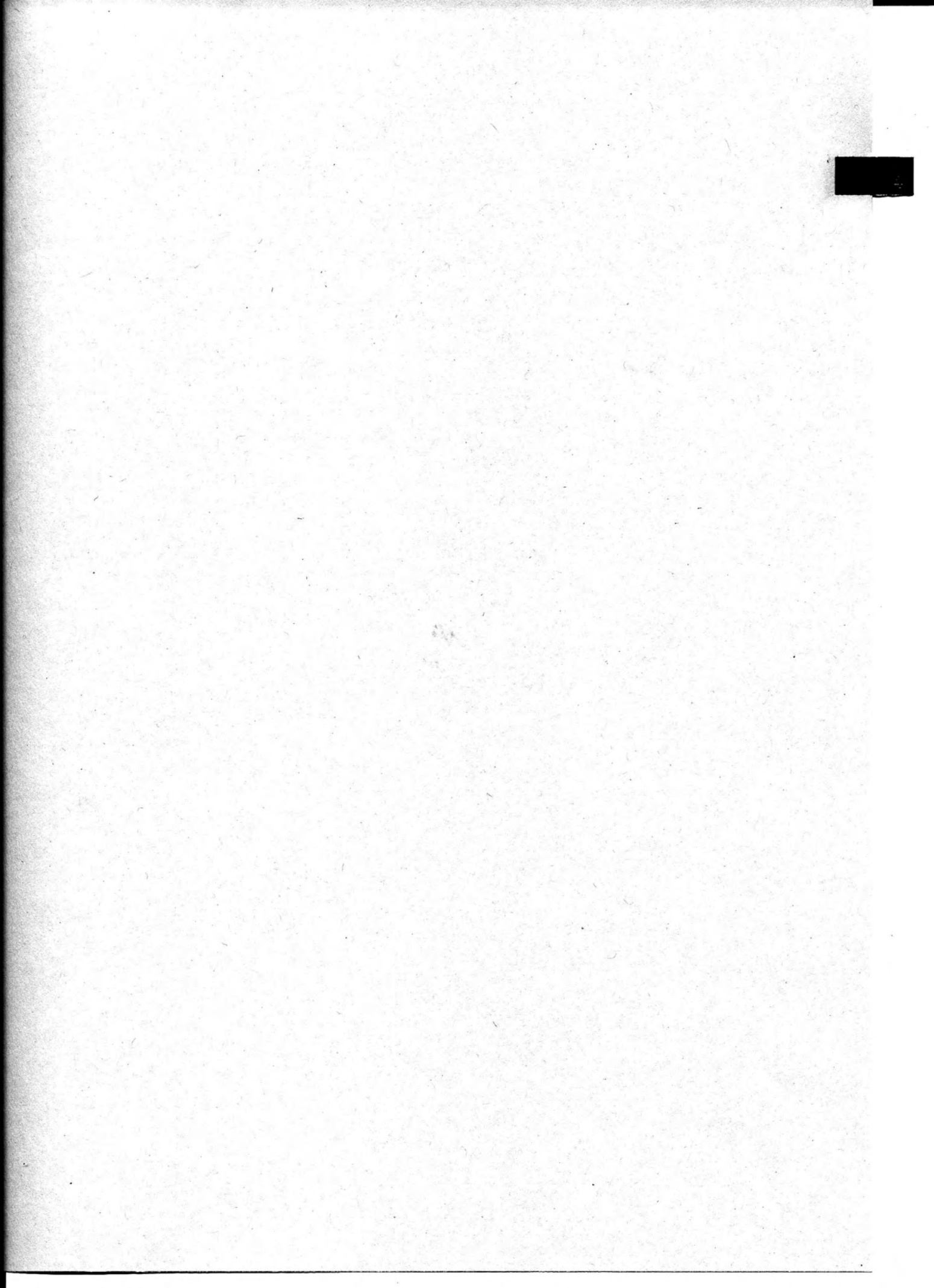
Recommendation

On balance, H.R. 2206 provides the funds needed to execute your strategy on the global war on terror, without imposing unacceptable restrictions on military commanders in the field or on your authority as Commander in Chief. Compared to the vetoed bill, H.R. 2206 removes \$4.2 billion in unrequested spending, and eliminates some extraneous matters, including a provision that would have invalidated recently issued chemical security regulations. Therefore, I join the heads of the affected Departments and agencies in recommending that you sign the enrolled bill.

Sincerely,

A handwritten signature in black ink that reads "Rob Portman". The signature is written in a cursive, flowing style.

Rob Portman



Withdrawal Marker

The George W. Bush Library

FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Memorandum	Veterans' Issues - To: POTUS - From: Stacie Maass	3	07/23/2007	P5;

**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
Withdrawal/Redaction Sheet at the front of the folder.**

COLLECTION:

Staff Secretary, White House Office of the

SERIES:

Von Der Heydt, Thomas (Tommy) - Bush Record Policy Memos

FOLDER TITLE:

Veterans: A Timeline (2001 - 2008) [2]

FRC ID:

14346

OA Num.:

14456

NARA Num.:

14245

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

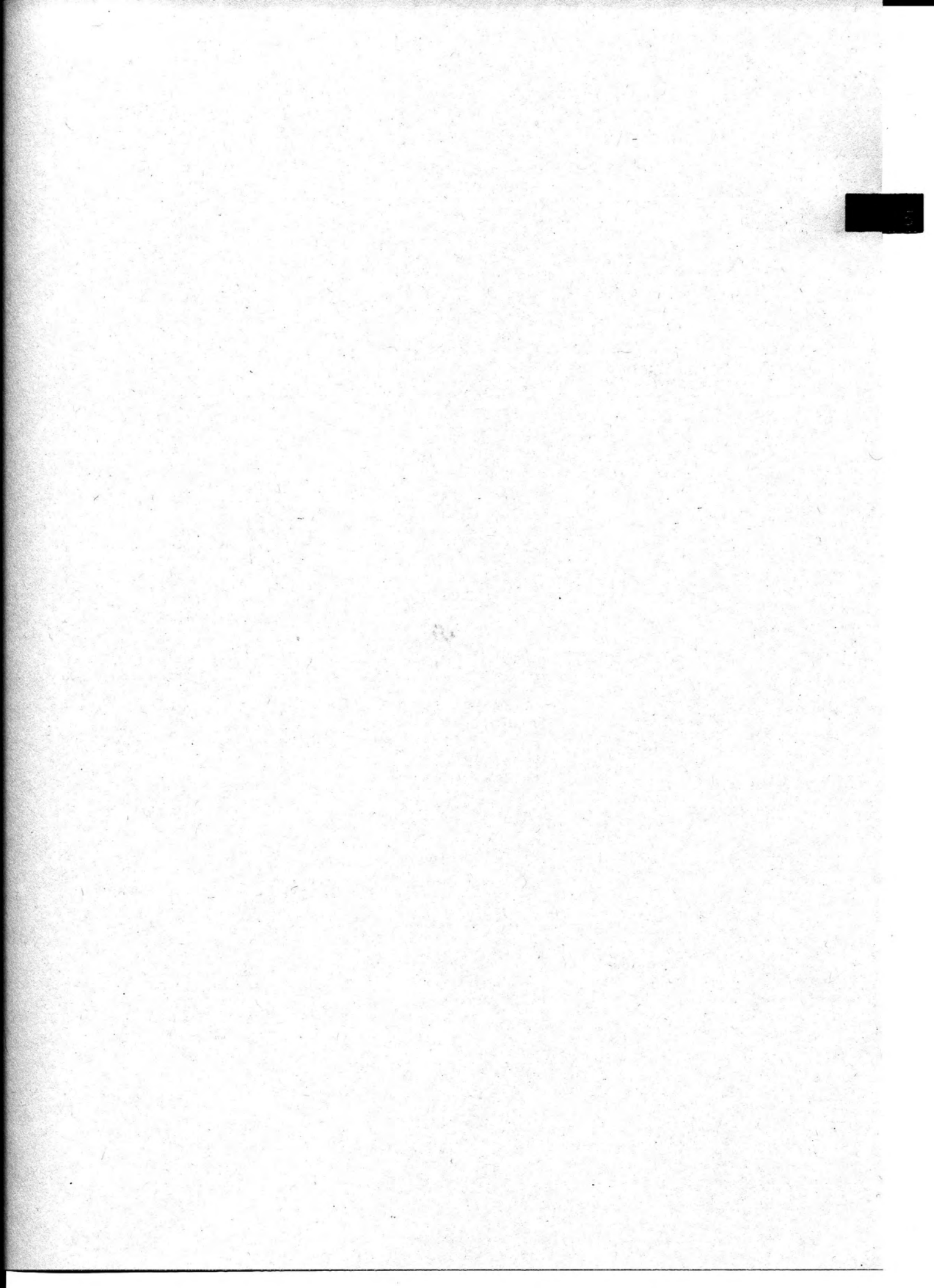
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



RECOMMENDATIONS

Our recommendations will serve, support, and simplify health care and rehabilitation for injured service men and women, and return them as quickly as possible to their military duties or to civilian life. To make these recommendations a reality, the President, Congress, and Departments of Defense (DoD) and Veterans Affairs (VA) should initiate the steps described in this report.

1 Immediately Create Comprehensive Recovery Plans to Provide the Right Care and Support at the Right Time in the Right Place

Recommendation: Create a patient-centered Recovery Plan for every seriously injured service member that provides the right care and support at the right time in the right place. A corps of well-trained, highly-skilled Recovery Coordinators must be swiftly developed to ensure prompt development and execution of the Recovery Plan.

Goals: Ensure an efficient, effective and smooth rehabilitation and transition back to military duty or civilian life; establish a single point of contact for patients and families; and eliminate delays and gaps in treatment and services.

What it is:

The Recovery Plan should smoothly and seamlessly guide and support service members through medical care, rehabilitation, and disability programs.

The Recovery Plan will help service members obtain services *promptly and in the most appropriate care facilities*—whether DoD, VA, or civilian.

The Recovery Coordinator is the patient and family's single point of contact, who makes sure each service member receives the care specified for them in the plan when they need it, and that no one gets "lost in the system."

The Recovery Coordinator moves injured service members through the system in a timely way, because experience shows that people recover better when treatment and services are provided promptly.

Who oversees it:

A Recovery Coordinator would oversee implementation of the Recovery Plan. Recovery Coordinators would have the authority to coordinate medical care, rehabilitation, education, and employment-related programs, as well as disability benefits. This is a difficult and complex job, and both Departments must be committed to making it work.

Recovery Coordinators would ensure that patients and families understand the likely trajectory of the service member's recovery, the types of care and services that will be needed, and how much time recovery may take.

Action Steps

DoD and VA should develop integrated care teams (physicians, nurses, allied health professionals from relevant specialties, social workers, and vocational rehabilitation staff). These teams would create injured service members' initial Recovery Plans, which should start with a comprehensive clinical evaluation.

...

DoD and VA should direct that Recovery Plans be created for all service members seriously injured since the beginning of the Afghanistan and Iraq conflicts who still would benefit from them.

...

DoD & VA must work with the Commissioned Corps of the Public Health Service, Department of Health and Human Services, to develop a cadre of well-trained, highly skilled Recovery Coordinators.

2 Completely Restructure the Disability and Compensation Systems

Recommendation: DoD maintains authority to determine fitness to serve. For those found not fit for duty, DoD shall provide payment for years served. VA then establishes the disability rating, compensation and benefits.

Goals: Update and simplify the disability determination and compensation system; eliminate parallel activities; reduce inequities; and provide a solid base for the return of injured veterans to productive lives.

The following data from our survey illustrate why we believe an overhaul is needed (Throughout this report, our survey results appear in blue):

- 38 percent of active duty, 34 percent of reserve component, and 38 percent of retired/separated service members are "very" or "somewhat" satisfied with the disability evaluation system.
- 46 percent of active duty, 36 percent of reserve component, and 40 percent of retired/separated service members say they "completely" or "mostly" understand the military's disability evaluation process.
- 42 percent of retired/separated service members who filed a VA claim report that they "completely" or "mostly" understand the VA claims process.

Department of Defense Responsibilities

Each branch of the armed services would retain authority for determining whether a service member is fit for continued military service.

If not medically fit, the service member should receive DoD annuity payments, the dollar value of which would be *based solely on rank and length of service*.

Department of Veterans Affairs Responsibilities

The VA should assume all responsibility for establishing disability ratings and for all disability compensation and benefits programs.

The VA should initiate its education, training, and work-related benefits *early in the rehabilitation period*.

The Department's education, training, and employment programs should include incentives to encourage veterans to participate and stay enrolled. (Our survey found that 21 percent of demobilized reservists and 31 percent of retired/separated service members are enrolled in an educational program leading to a degree.)

Periodic Review

The disability status of veterans should be reevaluated every three years and compensation adjusted, if their condition has worsened or improved.

Vocational Rehabilitation & Education Program (VRE)

The effectiveness of various vocational rehabilitation programs is not well established, and the VA should undertake an effort to determine which have the greatest long-term success.

VA policies should encourage completion of effective programs by increasing the flexibility of scheduling for those whose disability does not permit taking a full course load. This can be done without increasing the dollar amount of the benefit.

Also, the VA should develop financial incentives that would encourage completion.

Congress should clarify the objectives for DoD and VA disability systems, in line with this recommendation.

Action Steps

...

DoD and VA should create a single, comprehensive, standardized medical examination that DoD administers. It would serve DoD's purpose of determining fitness and VA's of determining initial disability level.

...

Service members found unfit because of their combat-related injuries should receive comprehensive health care coverage and pharmacy benefits for themselves and their dependents through DoD's TRICARE program.⁹

...

Congress should restructure VA disability payments to include:

1. "transition payments"—to cover living expenses for disabled veterans and their families. They should receive either
 - 3 months of base pay, if they are returning to their community and not participating in further rehabilitation

continued

⁹ TRICARE is the Department of Defense's health care program for members of the military, their families, and survivors and serves more than 9.1 million beneficiaries worldwide.

Action Steps

continued

OR

- longer-term payments to cover family living expenses, if they are participating in further rehabilitation or education and training programs
- 2. once transition payments end, disabled veterans should receive *earnings-loss payments*—to make up for any lower earning capacity remaining after training
- 3. *quality-of-life payments*—to compensate for non-work-related effects of permanent physical and mental combat-related injuries

...

The VA should commission a six-month study to determine the appropriate level and duration of longer-term transition payments.

...

The VA should move swiftly to update (and thereafter keep current) its disability rating schedule to reflect current injuries and modern concepts of the impact of disability on quality of life.

...

To improve completion rates in its VRE program, VA should:

- allow veterans to suspend training for a time or attend part-time (for up to 72 months), with approval of their Recovery Coordinator and vocational counselor
- pay a bonus (10 percent of annual transition pay) for completing the first and second years of VRE training and 5 percent for completing the third year

3 Aggressively Prevent and Treat Post-Traumatic Stress Disorder and Traumatic Brain Injury

Recommendation: VA should provide care for any veteran of the Afghanistan and Iraq conflicts who has post-traumatic stress disorder (PTSD). DoD and VA must rapidly improve prevention, diagnosis, and treatment of both PTSD and traumatic brain injury (TBI). At the same time, both Departments must work aggressively to reduce the stigma of PTSD.

Goals: Improve care of two common conditions of the current conflicts and reduce the stigma of PTSD; mentally and physically fit service members will strengthen our military into the future.

- In our survey, around 70 percent of active duty, reserve component, and retired/separated service members report they had been asked whether they were exposed to an event or blast that caused a jolt or blow to the head.
- 59 percent of active duty and 52 percent of reserve component and 65 percent of retired/separated service members had been exposed to such an event.

Workforce Strategies

We recognize that augmenting DoD's mental health workforce will not be easy, because of national shortages in mental health professionals. DoD personnel requirements

must take into account the expanding need for such personnel, due to the military's expanded prevention and education missions in behavioral health; and, both Departments should prepare for the expected long-term demand that may arise from chronic or delayed-onset symptoms of PTSD.

Reduce Stigma

DoD should intensify its efforts to reduce the stigma associated with PTSD.

Congress should enable all veterans who have been deployed in Afghanistan and Iraq who need PTSD care to receive it from the VA.

Action Steps

DoD should aggressively address its acute shortage of mental health clinicians.

DoD should establish a network of public and private-sector expertise in TBI and partner with the VA on an expanded network for PTSD, so that prevention, diagnosis, and treatment of these two conditions stay current with the changing science base. Specifically, it should:

- conduct comprehensive training programs in PTSD and TBI for military leaders, VA and DoD medical personnel, family members, and caregivers
- disseminate existing TBI and PTSD clinical practice guidelines to all involved providers; where no guidelines exist, DoD and VA should work with other national experts to develop them.

4 Significantly Strengthen Support for Families

Recommendation: Strengthen family support programs including expanding DoD respite care and extending the Family and Medical Leave Act for up to six months for spouses and parents of the seriously injured.

Goals: Strengthen family support systems and improve the quality of life for families.

- In our survey, 33 percent of active duty, 22 percent of reserve component, and 37 percent of retired/separated service members report that a family member or close friend relocated for extended periods of time to be with them while they were in the hospital.
- 21 percent of active duty, 15 percent of reserve component, and 24 percent of retired/separated service members say friends or family gave up a job to be with them or act as their caregiver.

Many of the recommendations in this report serve and support families and simplify their lives. Prime examples are the Recovery Coordinator and increased availability of online resources that will be helpful to family caregivers.

DoD and VA should explore the applicability for service members and their families of innovative private-sector initiatives that have been developed and tested in the past few years.

DoD should establish a standby plan for family support of injured service members, drawing on the experiences and model programs developed during this conflict, to enable a quicker program ramp-up in any future large deployments.

Action Steps

Congress should make combat-injured service members eligible for the TRICARE respite care and aide and personal attendant benefits currently provided in the Extended Care Health Option program.

...

DoD and VA should provide families of service members who require long-term personal care with appropriate training and counseling to support them in their new caregiving roles.

...

Congress should amend the Family Medical Leave Act to allow up to six months' leave for a family member of a service member who has a combat-related injury and meets the other eligibility requirements in the law.

5 Rapidly Transfer Patient Information Between DoD and VA

Recommendation: DoD and VA must move quickly to get clinical and benefit data to users. In addition, DoD and VA should jointly develop an interactive "My eBenefits" website that provides a single information source for service members.

Goals: Support a patient-centered system of care and efficient practices.

Three Strong Caveats:

- Congress and the Departments should recognize that information technology is not the "silver bullet" that will solve various quality, coordination, and efficiency problems within the Departments' medical and benefits systems.
- Underlying organizational problems must be fixed first, or information technology merely perpetuates them.
- Every effort must be made not to make systems unnecessarily complex, difficult to use, or redundant.

DoD and VA should make information about benefits and services available online, via a password-protected site (which we call "My eBenefits"), in which service members and veterans can securely enter personal information. Based on this profile, they would receive tailored information about relevant programs and benefits in both the public and private sectors.

Action Steps

Within 12 months, in order to implement our Recovery Plan recommendation, DoD and VA must make patient data much more accessible—to begin with, in viewable form. All essential health, administrative, and benefits data must be immediately viewable by any clinician, allied health professional, or program administrator who needs it.

...

DoD and VA should continue the work under way at present to create a fully interoperable information system that will meet the long-term administrative and clinical needs of all military personnel over time.

...

DoD and VA must develop a plan for a user-friendly, tailored, and specific services and benefits portal for service members, veterans, and family members.

6 Strongly Support Walter Reed By Recruiting and Retaining First-Rate Professionals Through 2011

Recommendation: Until the day it closes, Walter Reed must have the authority and responsibility to recruit and retain first-rate professionals to deliver first-rate care. Walter Reed Army Medical Center has a distinguished history and, with one in five injured service members going directly to Walter Reed, continues to play a unique and vital role in providing care for America's military.

Goals: Assure that this major military medical center has professional and administrative staff necessary for state-of-the art medical care and scientific research through 2011.

Approximately one in five injured service members go directly to Walter Reed, and more than 700 outpatients remain on the campus.

Not only is it active today, but Walter Reed is scheduled to continue operation for at least four more years and must have the resources—professional and otherwise—to continue its historic role as a vital tertiary care and research center until the day it actually ceases operation.¹⁰

¹⁰ The decision to close Walter Reed came from the Department of Defense's Base Realignment and Closure Commission (BRAC).

Action Steps

DoD must assure that Walter Reed has the resources it needs to maintain a standard of excellence in both inpatient and outpatient care.

. . .

DoD must implement tailored incentive packages to encourage civilian health care and administrative professionals to continue working there and to enable recruitment of new professionals, as needed.

President Bush Receives Briefing by The Co-Chairs of The President's Commission on Care for America's Returning Wounded Warriors

Oval Office

10:34 A.M. EDT

THE PRESIDENT: I want to thank Secretary Shalala and Senator Dole for briefing myself and the Secretary of Veterans Affairs, Secretary of Defense on the general recommendations they'll be making to the country about how to make sure that our wounded heroes get the best possible care from the Defense Department and the Veterans Affairs Department.

I asked these two distinguished citizens to lead an extensive search about how best for this government to respond. We owe a wounded soldier the very best care and the very best benefits and the very easiest to understand system. And so they took a very interesting approach. They took the perspective from the patient, as the patient had to work his way through the hospitals and bureaucracies. And they've come up with some very interesting and important suggestions that they'll be voting on later, and then will be holding a press conference about afterwards.

The reason I've asked you to come in is I do want to thank you on behalf of the nation for doing what's right.

I also want to recognize Bob Woodruff here. He is a -- he himself was wounded, severely wounded, and went through the system, to a certain extent. And we welcome you back, and we're glad you're with us. And we would hope that any wounded soldier, any person in uniform would receive the kind of care and the ability to return to work, just like you have done. And so we're glad you're with us, Bob. Congratulations on the will to recover.

That will exist with our troops, as well. It's amazing how courageous our men and women in uniform are, and they deserve the best. And that's the spirit in which you analyzed the system, and we welcome your recommendations and we thank you for your service.

Thank you.

President Bush Jogs with Wounded Soldiers, Discusses Care For Returning Wounded Warriors

South Lawn

4:25 P.M. EDT

THE PRESIDENT: I've been running with Max and Allen -- I mean, Neil. I met these guys at Walter Reed. Neil lost both legs, and he told me he's going to run with me on the South Lawn of the White House. Max lost his leg, and he told me he was going to be jumping out of airplanes with the 101st Airborne. Sure enough, he's jumping out of airplanes with the 101st Airborne, and along with Neil, he's running on the South Lawn.

Running with these two men is incredibly inspirational for me. And it should be inspirational to anybody who has been dealt a tough hand. Sometimes in life you get dealt a hand that you didn't expect to play, and they got dealt a tough hand, and they're playing it with all their soul. And I appreciate you guys being here. It means a lot to me.

Today Senator Dole and Secretary Shalala delivered a report to the White House. I told the press corps that they were going to go out and hold a press conference. They've held their press conference. I'd like to make some comments on that report.

First of all, the spirit of that report is, any time we have somebody hurt, they deserve the best possible care, and their family needs strong support. We've provided that in many cases, but to the extent we haven't, we're going to adjust. In that recommendation, there are things the United States Congress should do, and I call upon them to do it.

In that report, there are a lot of things that the executive branch of government can do, the Veterans Administration, Department of Defense. And I've instructed Secretary Gates and Secretary Nicholson to look at every one of these recommendations, to take them seriously, and to implement them, so that we can say with certainty that any soldier who has been hurt will get the best possible care and treatment that this government can offer.

I'm working with two men who have been hurt, two men who refuse to allow their current circumstances to get them down or to keep them down. I am proud to be with you with guys. Neil, thank you. God bless you, Max. He wanted me to jump out of airplanes with him. I respectfully declined.

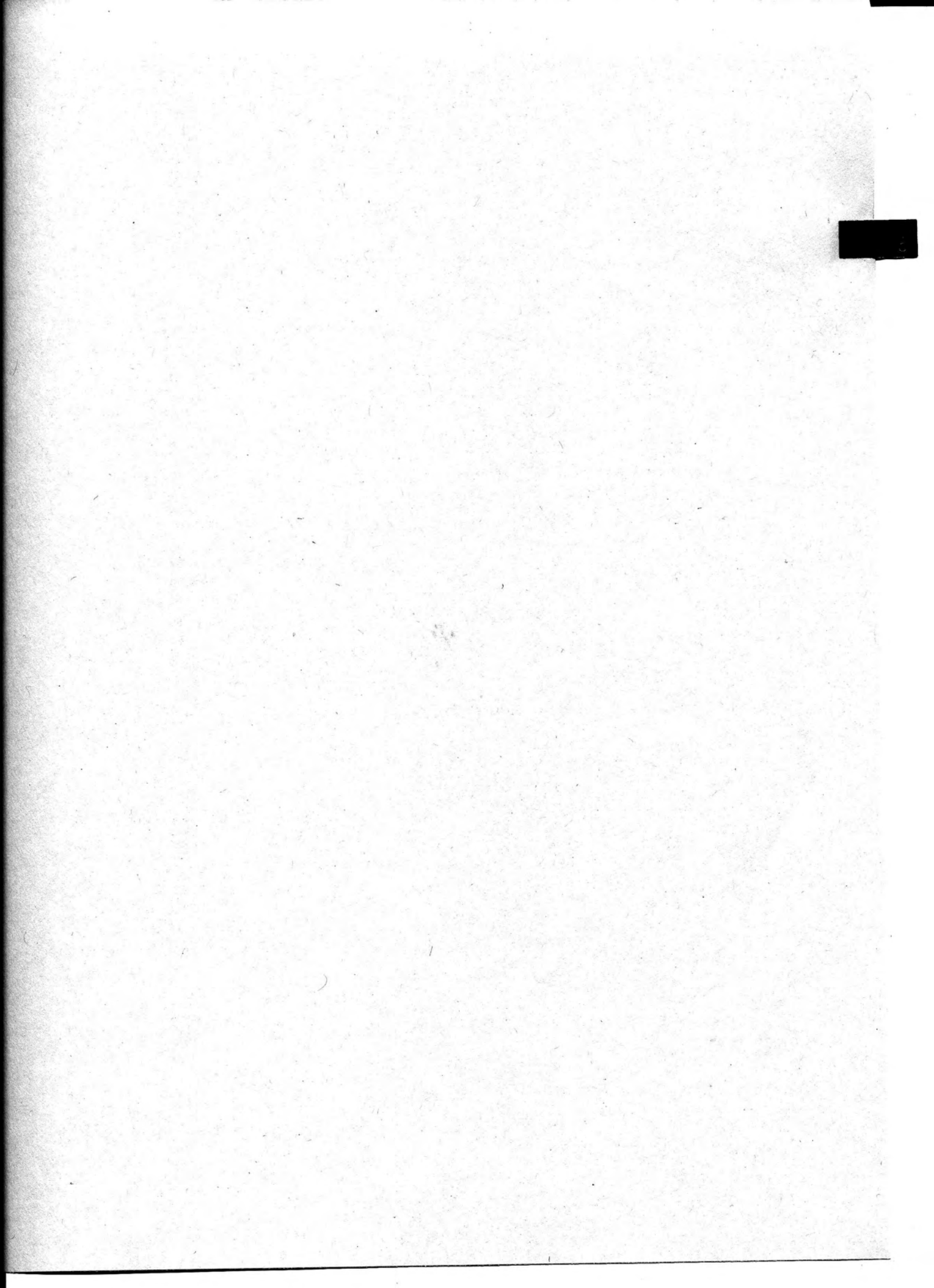
Q How does it feel to be with the Commander-in-Chief running around the track?

SERGEANT DUNCAN: Fantastic. It's an accomplishment. It's like the pinnacle of recovery, I think. Being a wounded vet, coming of Afghanistan a little over a year-and-a-half ago, being here, running around this track is just amazing. I couldn't ask for anything better.

THE PRESIDENT: Don't ask him why he outran me.

Q Why did he outrun you?

THE PRESIDENT: Because he's a faster runner. Anyway, thank you guys. It's a proud moment for me, a proud moment.



VA's Suicide Hot Line Begins Operations

July 30, 2007

Nicholson: *"Help a Phone Call Away"*

WASHINGTON – To ensure veterans with emotional crises have round-the-clock access to trained professionals, the Department of Veterans Affairs (VA) has begun operation of a national suicide prevention hot line for veterans.

"Veterans need to know these VA professionals are literally a phone call away," said Secretary of Veterans Affairs Jim Nicholson. "All service members who experience the stresses of combat can have wounds on their minds as well as their bodies. Veterans should see mental health services as another benefit they have earned, which the men and women of VA are honored to provide."

The toll-free hot line number is 1-800-273-TALK (8255). VA's hot line will be staffed by mental health professionals in Canandaigua, N.Y. They will take toll-free calls from across the country and work closely with local VA mental health providers to help callers.

To operate the national hot line, VA is partnering with the Substance Abuse and Mental Health Services Administration of the Department of Health and Human Services (HHS).

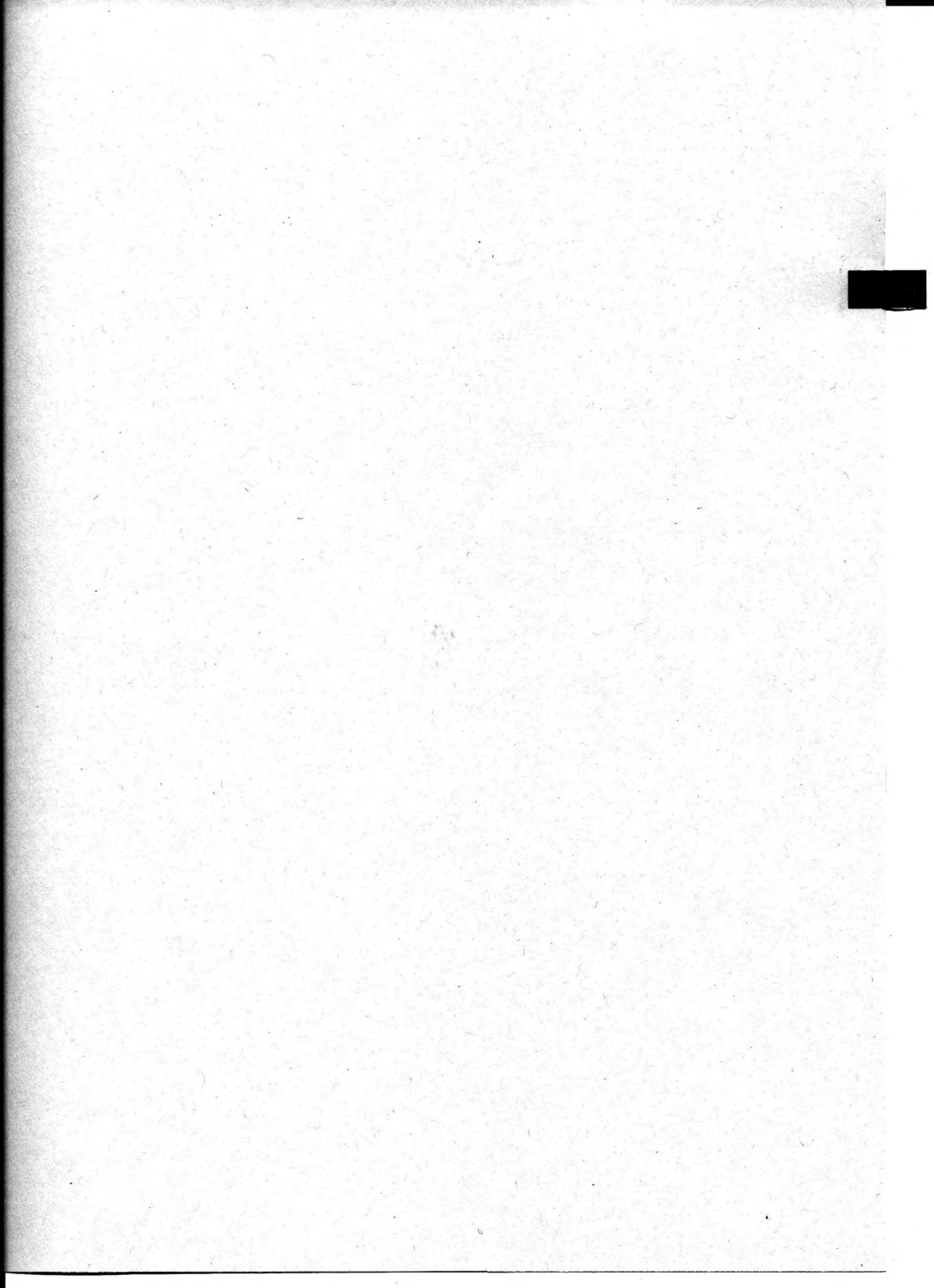
"The hot line will put veterans in touch – any time of the day or night, any day of the week, from anywhere in the country – with trained, caring professionals who can help," added Nicholson.

"This is another example of the VA's commitment to provide world-class health care for our nation's veterans, especially combat veterans newly returned from Iraq and Afghanistan."

The suicide hot line is among several enhancements to mental health care that Nicholson has announced this year. In mid July, the Department's top mental health professionals convened in the Washington, D.C., area to review the services provided to veterans of the Global War on Terror.

VA is the largest provider of mental health care in the nation. This year, the Department will spent about \$3 billion for mental health. More than 9,000 mental health professionals, backed up by primary care physicians and other health professionals in every VA medical center and outpatient clinic, provide mental health care to about 1 million veterans each year.

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