

**House Report 108-576 - DEPARTMENTS OF COMMERCE, JUSTICE,
AND STATE, THE JUDICIARY, AND RELATED AGENCIES
APPROPRIATIONS BILL, FISCAL YEAR 2005**

**ADDITIONAL VIEWS OF THE HONORABLE DAVID R.
OBEY AND JOSE E. SERRANO**

We support the bill despite a handful of concerns about the Departments of Justice and State and reservations about the effect of the bill on the small business community and on our commitment to conservation.

Under the direction of Chairman Wolf, and with the help of an allocation that was \$240 million above the President's request, the committee has managed to dig much of the way out of the deep hole created by the President's budget. We appreciate the fair manner in which both the subcommittee and full committee Chairmen have treated the Minority and the many good things in this bill.

The bill restores \$885 million of the \$1 billion shortfall in state and local law enforcement assistance while rejecting the Administration's proposal to charge State and local law enforcement for FBI and DEA forensic lab services. The bill increases FBI funding to enhance the nation's counterterrorism effort while creating a new, Department-wide Office of Privacy and Civil Rights, to sensitize the Justice Department to such concerns. The bill restores funding for the Manufacturing Extension Partnership and maintains Legal Services Corporation funding. The bill provides full funding for State Department worldwide security programs, for educational and cultural exchanges, and for the UN, including the capital master plan. Report language directs the State Department to establish a new permanent office to plan for reconstruction and post-conflict stability, making clear State's preeminent role in such planning.

However, we are deeply concerned about a Department of Justice that has provided legal advice supporting and justifying torture, that has advocated the indefinite detention, without charge or trial, of American citizens, and that has routinely denied legitimate Congressional requests for information about these policies while conducting trials by press conference and leaking a portion of the requested material to the press as part of a `public relations campaign.' We remain concerned that the United States has made, or is on the verge of making, new commitments for several international peacekeeping operations, including in Haiti and Sudan, for which the President has requested no funds and for which this bill does not provide sufficient resources. We remain concerned that the United States will be sending State Department and other government civilians to Iraq to support our mission there, without providing sufficient resources to secure and

protect these employees. We fervently hope that the Administration will at some point give up its desire to hide the cost of our international commitments and request supplemental funding for these urgently needed missions.

We are also concerned that the bill does not overturn the President's elimination of the Technology Opportunities Program, the Advanced Technology Program and new Public Telecommunications Facilities, Planning and Construction grants.

In addition, we have two reservations regarding small business and conservation. The bill adopts much of the President's Small Business Administration request, which eliminates the Microloan Technical Assistance program and the subsidy appropriation for 7(a) loans. The Microloan program enables low-income and unemployed individuals to become self-sufficient. According to recent data, 72 percent of low-income microentrepreneurs increased their household income over five years and more than half--53 percent--of these entrepreneurs moved over the poverty line. By offering technical assistance, including pre-loan counseling, the program has maintained an extremely low default rate. We are hopeful that funding may be restored as the bill moves forward, and we are heartened by Chairman Wolf's suggestion that we work together to make that happen.

The bill also accepts the President's odd assumption that providing zero subsidy appropriations will somehow make the 7(a) loan program more stable. The 7(a) program is the largest SBA financing program, supporting \$12.5 billion in loans. About 30% of all long-term, small business financing is through 7(a). The program is funded by a combination of subsidy appropriations and fees paid by participating borrowers and lenders. For FY 2005, the Administration proposed eliminating the subsidy appropriation and operating the program solely on a fee and recovery basis which would be the first time in its more than 50 years of operation. Even without zero subsidy, the fees will substantially increase in FY 2005. Instead of encouraging the small business community, zero subsidy will further increase fees and drive lenders and small businesses away from the program. Ranking member Serrano offered an amendment in committee to restore the subsidy appropriation but the amendment was defeated with not a single Republican member voting to sustain the 7(a) appropriation.

We are also disappointed that the bill provides \$540 million less than the FY 2004 level for NOAA and, as a consequence, the bill fails to fulfill our commitment to conservation. In FY 2001, Congress made a multi-year commitment to appropriate needed increases for high-priority conservation programs. The commitment includes important NOAA conservation items such as the Coastal and Estuarine Land Conservation program, nonpoint source pollution, marine protected areas and National Marine Sanctuaries, coral reef restoration, Coastal Zone Management grants, and Pacific Salmon

recovery. However, we are encouraged that Chairman Wolf has committed to improving the conservation numbers in conference.

We support the bill despite our concerns and reservations. We look forward to working with Chairman Wolf to improve the bill as it continues through the process.

David R. Obey.
Jose E. Serrano.

