



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

June 23, 2009
(House Rules)

STATEMENT OF ADMINISTRATION POLICY
H.R. 2892 – Department of Homeland Security Appropriations Act, 2010
(Rep. Obey, D-Wisconsin)

The Administration strongly supports passage of H.R. 2892, making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2010.

As we face difficult economic and fiscal decisions, it is important to make efficient and effective investments. The bill, as considered by the Committee, makes important investments in transportation systems, cyber security, security for our borders, and emergency response. This legislation serves as an important piece of the Nation's economic recovery.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill.

E-Verify

The Administration appreciates the Committee's continued support for E-Verify, a critical component of immigration enforcement, including reauthorization of the program.

Loran-C Termination

The Administration is very concerned with the Committee's recommendation to continue operation of the Coast Guard's antiquated radio navigation system, Loran-C, at an annual cost of over \$36 million. The decision to continue operating a program that serves limited Federal interest deprives the Coast Guard of military personnel and resources to address its pressing priorities. The Nation no longer needs this system because the federally supported civilian Global Positioning System (GPS) has replaced it with superior capabilities. As a result, Loran-C, including recent limited technological enhancements, serves only a small group of long-time users. The termination plan for Loran-C system includes the preservation of high value equipment and measures to secure the sites until there is a decision about future use of the property. The timing of Loran-C termination activities does not adversely impact the process underway at the Department of Homeland Security (DHS) to evaluate the requirements for a GPS backup capability nor does it weaken any evaluation of eLoran, the latest in the long-standing series of loran systems designed to expand the utility of existing Loran-C by expanding coverage to the interior of the United States and upgrading the accuracy of the timing capability. Further, the Administration is concerned that the Committee's direction to the Coast Guard to provide a plan within 30 days for construction of an eLoran system bypasses DHS' acquisition process by foreclosing the analysis of alternatives.

Disaster Relief Fund

The Administration appreciates that the Committee fully funds the Disaster Relief Fund.

Federal Protection Service (FPS)

The Administration is concerned that the Committee does not recommend the transfer of FPS from Immigration and Customs Enforcement to the National Protection Programs Directorate, as requested. The proposed realignment would provide DHS with a unitary component that would both establish building security policy and ensure compliance. The Administration understands that an actionable plan is necessary for such a significant transfer. DHS has been assembling a detailed transition plan to support this transfer and will provide the Congress with these materials when they are finalized.

FEMA Pre-Disaster Mitigation Funds and Emergency Operations Center Grant Program

The Administration appreciates the funding provided for the National Pre-Disaster Mitigation Fund. However, the Administration believes that DHS needs the flexibility to use risk assessment to guide its resource allocation. Because these programs are intended to improve preparedness and response capabilities in our most vulnerable areas, it is critical that funding be allocated through a risk-management framework.

Cyber Security

The Administration is concerned about the level of funding for the National Cyber Security Division (NCSD). Funding requested for Cyber Security Coordination is necessary to provide NCSD with more advanced information sharing and collaboration tools to assist the Federal civilian agencies with protecting their networks. Additionally, the bill contains several provisions that undermine risk-based funding determinations necessary to achieve the Administration's recently announced cyber security goals and priorities.

* * * * *