APPROPRIATIONS: Lewis Eyes $6 Billion Shift To Boost Domestic Programs

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House Appropriations Chairman Lewis is preparing to shift about $6 billion from proposed defense and foreign aid increases in an election-year bid to ease the budget crunch on domestic programs and placate moderates.

House GOP leaders hope the shift might free up votes for the languishing FY07 budget resolution, although Lewis would move bills under President Bush's $873 billion overall spending cap without a budget in place.

The shift is designed largely to appease moderates concerned about the impact of Bush's spending cap on health and education programs. It would also plug gaps caused by unrealistic fee proposals and gimmicks in other areas, notably homeland security.

Bush is proposing a $23 billion increase in FY07 for Pentagon programs funded in the regular budget. Lewis would trim nearly $4 billion of that increase -- certain to be made up in the upcoming $50 billion FY07 "bridge fund" for Iraq and Afghanistan. Lewis would also trim more than $2 billion from foreign aid programs, which would still receive a hefty increase over FY06.

The money would be used in part to erase almost $4 billion in cuts proposed for programs funded under the FY07 Labor-HHS measure. That would bring total spending in the measure to about where it was in FY06 before GOP leaders applied a 1 percent across-the-board cut at the end of last year.

House GOP moderates are seeking as much as $7.2 billion to win their votes on the FY07 budget resolution and the Labor-HHS measure. Republican leaders are hoping enough of them will go along with the reduced spending plan -- perhaps aided by home-state earmarks that have traditionally greased passage.

The other major recipient is the FY07 Homeland Security bill, which would benefit from about $1 billion more than the White House request. That will help make up for the absence of a proposal to double the $2.50 fee on airline tickets to help pay for security.

The remainder of the $6 billion would be parceled out to other domestic measures slated for cuts, such as the Energy and Water and Interior-Environment bills. A spokesman for Lewis declined to comment because the details had not been made public.

*Outside of those limits, Congress is moving to enact a record amount of emergency spending for Iraq and Afghanistan and hurricane relief, which adds to the deficit but does not have to fit within budget caps. The Senate is expected to approve a nearly $109 billion bill today, which will head to conference with a House version almost $17 billion leaner and facing a veto threat.*
Senate conservatives, including Majority Leader Frist, strongly urged Bush to speak out against the size of the bill. It is about $14 billion above his revised request, even after he agreed to add $2.3 billion to combat a possible avian flu outbreak. So far, they have only been able to eliminate $15 million for Gulf Coast seafood promotion.

Sen. Tom Coburn, R-Okla., recognizing he would not have the votes, withdrew a slew of amendments Tuesday that targeted other provisions. At the same time, senators added $30 million each for election assistance and forest health projects.

Coburn also fell short in a bid to strip a provision requiring the Navy to reimburse Northrop Grumman Corp. for "business interruption" insurance claims that are the subject of litigation. The vote was 52-47.

Coburn said the costs could be as high as $500 million. Appropriations Chairman Cochran's estimates are closer to $140 million, and would come out of a proposed $2.7 billion for Navy shipbuilding costs in the Gulf Coast. By contrast, delays in Northrop's ability to deliver ships on schedule might cost $300-$600 million, depending on the length of the delay, Cochran said.