

The President

The White House

Submitted for your consideration are emergency funding requests, totaling \$27.1 billion, for various Federal Departments and agencies, as well as the Legislative and Judicial Branches and the U.S. Postal Service. The proposals for emergency funding would provide critical resources to support the war on terrorism, homeland security, and economic revitalization activities as the Nation continues to recover and rebuild following the September 11, 2001, terrorist attacks. Of this amount, \$2.7 billion for the Departments of Labor and Transportation would be provided on a contingent basis.

Also included in this transmittal are non-emergency requests for FY 2002 supplemental appropriations for the Department of Agriculture, the Department of Veterans Affairs, the Office of the United States Trade Representative, and the Securities and Exchange Commission. The requests for non-emergency resources are fully offset by reductions in the Departments of Agriculture, Health and Human Services, Housing and Urban Development, the Interior, and Veterans Affairs and International Assistance Programs. In addition, this transmittal contains language proposals for the Departments of Commerce and Transportation.

All of the requests in this transmittal are for the purpose of fulfilling a known and urgent FY 2002 requirement and are unable to reasonably be met through the use of existing agency funds.

As described below and in more detail in the enclosures, the requests include the following:

Defense

- \$14.0 billion for the Department of Defense (DoD) and the intelligence community to prosecute the global war on terrorism for the balance of FY 2002 and to enable DoD to fulfill other national security responsibilities. Expedient approval of this emergency supplemental request is critical for the Department to continue the global war on terrorism and to ensure the readiness of the U.S. military forces to support this and other missions in the months ahead. The \$14.0 billion request includes:
 - \$6.7 billion to conduct military operations;
 - \$4.1 billion to pay reserve and national guard personnel who are on active duty to support military operations on a full-time basis;

- \$1.4 billion to fund critical command, control, communications, and intelligence support to military operations and classified programs including the National Foreign Intelligence Program;
- \$0.5 billion to procure precision munitions, unmanned aerial vehicles, and unique special operations weapons;
- \$0.4 billion for coalition support; and
- \$0.9 billion for various programs critical to the war effort (e.g., Guantanamo Bay, information operations, and Special Operations Command requirements).

Without the additional funds, the Department will be unable to respond to the evolving military requirements of the global war on terrorism and would have to curtail other operations, cancel training, defer maintenance, and ultimately take other drastic measures to fulfill the President's charge to combat international terrorism aggressively. The Department has already agreed to offset additional operational costs from earlier supplemental funding provided for activities now judged as lower priorities.

International

- \$436.0 million to support the State Department's emergency expenses in support of the United States' efforts to respond to, deter, or prevent acts of international terrorism. This request would provide funding of \$201.0 million for Embassy Security, Construction and Maintenance, which includes construction and renovation costs of the United States' missions in Kabul and Dushanbe, as well as \$20.0 million in additional funding to reopen those missions. The request also includes: \$114.0 million for urgent counter-narcotics and law enforcement support; \$43.0 million for the Contributions International Peacekeeping Activities account; \$20.0 million for State Department domestic security requirements; and \$15.0 million for public diplomacy and exchange accounts.
- \$1.2 billion to support the United States International Assistance Programs in order to deter, or prevent acts of international terrorism. These funds would be used immediately to strengthen the forces of our friends and allies in the fight against terrorism, by providing vitally needed military equipment and training and economic assistance. The request for the Foreign Military Financing Program is \$373.0 million, and the Economic Support Fund request is \$525.0 million.
- \$7.4 million for the Broadcasting Board of Governors to allow Radio Free Europe/Radio Liberty to continue to provide the people of Afghanistan news and information about events within Afghanistan and the surrounding region.

Homeland Security

- \$4.7 billion for the Department of Transportation. The requested funds include: \$2.4 billion to implement and operate the Transportation Security Administration (TSA) for the remainder of FY 2002; \$255.0 million for homeland security activities for the United States Coast Guard; \$19.3 million for implementation and homeland security activities of the new Border Enforcement Program within the Federal Motor Carrier Safety Administration; and, \$3.5 million to upgrade the current Crisis Management Center into a new Transportation Information Operations Center. The request includes \$1.9 billion for TSA, to be made available contingent upon your submission of a later budget request to the Congress designating the entire amount requested as an emergency requirement.
- \$327.0 million to enable the Federal Emergency Management Agency to provide equipment and training grants to States and localities to improve terrorism and chemical-biological response capabilities.
- \$87.0 million for the U.S. Postal Service to continue its efforts to protect employees and postal customers from exposure to biohazardous material and to sanitize and screen the mail for such material, making use of the most cost effective technology possible.
- \$55.0 million for the General Services Administration. Of the funds requested, \$51.8 million would be used to increase security services at Federal buildings nationwide and for additional security equipment and \$2.5 million would be used to help protect against potential disruptions in information technology infrastructure.
- \$51.0 million for the Department of Justice. The requested funds include: \$35.0 million to enable the Immigration and Naturalization Service to fully implement increased air and sea port security initiatives; \$10.0 million for the Federal Bureau of Investigation to support a multi-agency terrorist tracking task force; and \$5.8 million for deployment of the Automated Biometrics Identification System/Integrated Automated Fingerprint Identification System to 30 additional ports of entry.
- Other amounts include: \$26.0 million for the Department of Energy to improve emergency response assets and for critical energy security and assurance activities; \$19.3 million to the National Science Foundation to provide additional funds for the Cybercorps/Scholarships for Service program; \$14.0 million to the Judicial Branch for perimeter security enhancements of the Supreme Court building and grounds and for physical security measures at Federal courthouses and at the United States Court of Appeals for the Federal Circuit; \$13.0 million for the Department of Commerce to begin the Homeland Security Information Technology and Evaluation Program and for standards development for chemical/biological/nuclear/radioactive explosive threat detection equipment; \$12.5 million for the Environmental Protection Agency for additional expenses incurred for anthrax investigations and cleanup actions at the United States Capitol and Congressional office building complex; \$7.5 million for the Legislative Branch for the Copyright Office of the Library of Congress; and \$5.0 million for the Office of Administration within the Executive Office of the President.

Assistance to New York

- \$2.8 billion to enable the Federal Emergency Management Agency to support additional disaster relief efforts in response to the September 11th terrorist attacks.
- \$2.0 billion for the Department of Transportation. Of the funds requested, \$1.8 billion would be used for Capital Investment Grants to replace, rebuild, or enhance mass transportation systems serving the Borough of Manhattan, New York City, New York and \$167.0 million would be used for the restoration and reconstruction of Federal-aid Highways-eligible State and local roads in New York City damaged by the September 11th terrorist attacks.
- \$750.0 million for the Department of Housing and Urban Development for Community Development Block Grants to be provided to the Lower Manhattan Development Corporation (LMDC) to rebuild utility infrastructure destroyed as a result of the September 11th terrorist attacks and to assist LMDC's efforts to rebuild Lower Manhattan.

Economic Recovery

- \$750.0 million for the Department of Labor to assist dislocated workers, to be made available contingent upon your submission of a later budget request to the Congress designating the entire amount requested as an emergency requirement. Of the total request, at least \$550.0 million would be available for National Emergency Grants to provide employment and training and related assistance to dislocated workers.

Non-emergency

- \$142.0 million for the Department of Veterans Affairs (VA) to ensure that all veterans are able to enroll and seek treatment in the VA medical system.
- \$75.0 million for the Department of Agriculture to provide resources to finance rising participation in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and increased costs of WIC food and administration.
- \$20.0 million for the Securities and Exchange Commission to fund 100 new positions in the Division of Enforcement to deal with financial fraud and reporting, in the Division of Corporate Finance, and in other divisions as necessary.
- \$3.3 million for Office of the United States Trade Representative to provide payment to the European Communities to cover a three-year period for nullification or impairment of benefits from Section 110 (5) of the U.S. Copyright Act.

Offsets and Legislative Proposals

- Proposed offsets include the following reductions: \$157.0 million in International Assistance Programs; \$50.0 million in the Department of Health and Human Services; \$20.0 million in the Department of Housing and Urban Development; \$10.0 million in the Department of the Interior; \$9.0 million in the Department of Agriculture; and \$5.0 million in the Department of Veterans Affairs.

- Legislative proposals include no-cost language changes for the Departments of Commerce and Transportation.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the proposals to the Congress. In addition, I recommend that you designate the funds in the specified categories of Defense, International, Homeland Security (with the exception of \$1.9 billion in a contingent appropriation for the Department of Transportation), and Assistance to New York as emergency funding requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Sincerely,

Mitchell E. Daniels, Jr.
Director

Enclosures