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

June 24, 2002

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

The events of September 11th dramatically changed this nation and focused us on combating terrorism. In this new environment, it is more important than ever before to understand the full extent of Federal efforts to combat terrorism. Therefore, pursuant to the Fiscal Year (FY) 1998 National Defense Authorization Act (P.L. 105-85), and on behalf of the President of the United States, enclosed is the unclassified report on government-wide spending to combat terrorism. This report provides information on executive branch spending, programmatic initiatives, and priority terrorism-related areas for FY 2001 through FY 2003. The information in this report is derived from data gathered by the Office of Management and Budget (OMB) from involved Departments and agencies.

This report illustrates the complexity, the unclear responsibilities, and the confusing legal authorities associated with combating terrorism and homeland security programs, highlighting the need for a single entity with overall responsibility for homeland security. The creation of the Department of Homeland Security (DHS) will help streamline and consolidate these activities to make them more coordinated and effective. The new department will provide a clearinghouse for domestic combating terrorism information and a touchstone for coordination with related cyber security and overseas combating terrorism programs. This consolidation and streamlining will enable three entities -- DHS, the National Security Council (NSC), and the Cyber-Security Board – to articulate an integrated framework to guide budget proposals for homeland security, overseas combating terrorism, and critical infrastructure protection. OMB will work closely with the new department, the Cyber-Security Board, and the NSC to find ways to improve the report.

Please feel free to contact me with any questions or comments. Thank you.

Sincerely,
/s/
Mitchell E. Daniels, Jr.
Director

Enclosure

Identical Letter Sent to the Speaker of the House

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

June 24, 2002

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20510

Dear Mr. Speaker:

The events of September 11th dramatically changed this nation and focused us on combating terrorism. In this new environment, it is more important than ever before to understand the full extent of Federal efforts to combat terrorism. Therefore, pursuant to the Fiscal Year (FY) 1998 National Defense Authorization Act (P.L. 105-85), and on behalf of the President of the United States, enclosed is the unclassified report on government-wide spending to combat terrorism. This report provides information on executive branch spending, programmatic initiatives, and priority terrorism-related areas for FY 2001 through FY 2003. The information in this report is derived from data gathered by the Office of Management and Budget (OMB) from involved Departments and agencies.

This report illustrates the complexity, the unclear responsibilities, and the confusing legal authorities associated with combating terrorism and homeland security programs, highlighting the need for a single entity with overall responsibility for homeland security. The creation of the Department of Homeland Security (DHS) will help streamline and consolidate these activities to make them more coordinated and effective. The new department will provide a clearinghouse for domestic combating terrorism information and a touchstone for coordination with related cyber security and overseas combating terrorism programs. This consolidation and streamlining will enable three entities -- DHS, the National Security Council (NSC), and the Cyber-Security Board – to articulate an integrated framework to guide budget proposals for homeland security, overseas combating terrorism, and critical infrastructure protection. OMB will work closely with the new department, the Cyber-Security Board, and the NSC to find ways to improve the report.

Please feel free to contact me with any questions or comments. Thank you.

Sincerely,
/s/
Mitchell E. Daniels, Jr.
Director

Enclosure

Identical Letter Sent to the President of the Senate

Contents

Part 1: Introduction

The world has changed dramatically since the Administration submitted the last Annual Report to Congress on Combating Terrorism. September 11th unified the United States and strengthened our efforts to combat terrorism in all its forms. The Administration and the Congress have already taken a range of significant steps in this direction, including creating the Office of Homeland Security (OHS), substantially increasing funding to combat terrorism and passing legislation to enhance the government's ability to thwart terrorist activities. As a result, the fourth annual Report on Combating Terrorism (here after referred to as the "Report") contains several new sections.

As the forthcoming national strategies for homeland security and overseas combating terrorism are completed and lay out our national goals and priorities, the universe of programs and activities that are included may be revisited. The Report serves as an interim document and reflects the funding levels and budgetary priorities in the President's Budget for 2003. The Report highlights key functions increased funding increases, and enhanced activities. This Report provides the Congress insight into how the Administration is progressing in this vital effort, and how the resources requested in the President's FY 2003 Budget will enhance the Nation's security against the terrorist threat.

Reporting Requirement

Section 1051 of the Fiscal Year 1998 National Defense Authorization Act (P.L. 105-85) requires that the Administration provide information on Executive branch funding to combat terrorism. Subsequent legislation (section 1403 of P.L. 105-261) requires an annex to this Report on domestic preparedness. Because domestic preparedness is an integral part of the mission to combat terrorism, we address domestic preparedness aspects of combating terrorism throughout the Report rather than providing a separate annex. The legislation also requires a classified annex providing additional detail on funding for the national security community.

Scope and Methodology

The Report provides funding and programmatic information on the Federal government's efforts to combat terrorist activity both domestically and overseas, including defense against terrorist incidents involving weapons of mass destruction (WMD). Unless otherwise noted, funding for both domestic and overseas activities are included in the totals when discussing combating terrorism activities throughout the Report.

In addition, the Report provides basic information on efforts to protect critical infrastructure and continuity of operations related to the combating terrorism mission. Critical infrastructures are those physical and cyber-based systems essential to national security, national economic security, and public health and safety. Continuity of operations are those agency activities that ensure the mission essential functions of each agency continue no matter the cause of the disruption, even in the face of a catastrophic event. Because critical infrastructure protection (CIP) and continuity of operations (COOP) encompass the potential threat from equipment failure, human error, weather and natural disasters, and criminal or terrorist attacks,

CIP and COOP are considered separate but related missions to combating terrorism. You can find more detail on the government's efforts to protect the nation's critical infrastructures in the Administration's "National Plan for Information Systems Protection", as well as the forthcoming National Strategies for Homeland Security and Cyber Security. There is more information on the government's COOP efforts found on the FEMA webpage (www.fema.gov).
On October 8, 2001, the President established the Office of Homeland Security to, "coordinate the executive branch's efforts to detect, prepare for, prevent, protect against, respond to, and recover from terrorist attacks within the United States." For 2003, the budget for homeland security was calculated by aggregating those activities that are focused on combating terrorism and occur within the United States and its territories. Such activities include efforts to detect, deter, protect against and, if needed, respond to terrorist attacks. In some cases, activities that occur overseas were counted if they more broadly support a domestic activity (e.g. visa issuance as a part of border security).

As a starting point, funding estimates for these activities are based on data that has been reported since 1998 in this Report, and include combating terrorism and weapons of mass destruction (WMD), critical infrastructure protection (CIP), and continuity of operations (COOP), defined below.

Since homeland security focuses on activities within the United States, estimates do not include costs associated with fighting terrorism overseas. In addition, homeland security estimates include all funding associated with border security (i.e., Immigration and Naturalization Service's enforcement and detention activities, the Customs Service enforcement activities, the Coast Guard's enforcement activities, the Agricultural Quarantine Inspection Program, and the Department of State's visa program), and aviation security. This represents a departure from past practice, as only a portion of these activities has been captured in previous reports.

As the OHS develops a comprehensive national strategy to secure the United States from threats or attacks, it may refine the definition used to establish the boundaries of homeland security.

OMB cautions readers on combining funding totals for combating terrorism (CbT), homeland security (HS), CIP, COOP. While domestic CbT, CIP, and COOP activities are considered broadly as homeland security missions, we track the activities separately in the programmatic funding database used for this report. In most cases, funding for combating terrorism, CIP, and COOP do not overlap. However, in a few cases, those actions taken to combat terrorism also serve to protect an agency's critical infrastructure or provide for continuity of operations. Tables reporting homeland security totals include all domestic CbT, CIP, and COOP activities, without overlap. For ease of reporting and in an effort to avoid double-counting, tables reporting combating terrorism funding include only those programs listed in the combating terrorism portion of the database; tables reporting critical infrastructure include only those programs listed in the critical infrastructure portion of the database; and tables reporting continuity of operations include only those programs listed in the continuity of operations portion of the database. OMB requires agencies to note when they have reported an activity in

more than one mission area as both CbT and CIP or COOP. OMB then subtracts the overlap from the combined total for combating terrorism, CIP, and COOP. Less than one percent of the total for combating terrorism and CIP and COOP overlap.

The Data Collection Process

Collecting data on activities to combat terrorism and other unconventional threats is difficult because agencies often do not report these activities as distinct from other programs. Instead, funding is embedded in larger, "host" programs in agency budget requests. In addition, the Congressional budget process does not typically make explicit appropriations for combating terrorism. Instead, agencies often make specific allocations for these activities after Congress enacts appropriations, based on overall funding for the "host" programs.

To ensure that decision-makers for these critical programs have sufficient information to make the appropriate resource allocations, OMB collects funding data from agencies on activities that specifically contribute to the combating terrorism mission. OMB reissues the data call at key points in the budget cycle in an attempt to capture funding developments -- the final President's Budget, enacted appropriations, and actual spending in the year of execution. OMB provides summaries of these data to the Congress in the Annual Report. The Administration continues to work with all stakeholders, including the Congress, to improve this Report and the tracking of the programs it discusses.

Agencies report data using definitions taken from National Security Presidential Directives (NSPD), Presidential Decision Directives (PDD), Executive Orders (EO), and from language developed by OMB in consultation with the relevant agencies. OMB further breaks down the data into categories, or mission areas. Agencies provide additional characterization of each activity they report, such as noting whether the activity relates to combating WMD. For the first time, the Report includes funding summaries for the major homeland security initiatives proposed in the President's 2003 Budget. As the relevant entitites develop comprehensive strategies for combating terrorism, homeland security, and cybersecurity, we may revisit the mission areas correspond to those frameworks.

As we refine the reporting process, figures reported in previous years may differ in this Report. In developing the budget to support homeland security, the Administration added a range of activities related to border and aviation security to the baseline budget for combating terrorism. The Report notes major baseline changes for each agency in both the category funding summaries and the individual agency funding summaries. Small discrepancies from figures reported in earlier years versus this year's Report are due to agencies' improved ability to extract terrorism activities from host programs, and refine their characterizations. Major increases in funding for specific missions and program areas are noted in the Major Increases section of the Report, the category funding summaries, and the individual agency summaries.

For classification purposes, we continue to combine the Department of Defense and the Intelligence Community funding throughout the report as "National Security Community."

However, wherever possible, this report provides information on unclassified Department of Defense and Intelligence Community activities.

Definitions

The Report uses the definition for combating terrorism as guided by PDDs 39 and 62, the further category/mission area breakdowns developed over the past several years. For the first time, however, the report distinguishes between homeland security activities and overseas combating terrorism activities. To develop the homeland security budget, OMB identified those activities that detect, deter, protect against, and respond to terrorist attacks occurring within the United States and its territories. Homeland Security focuses on activities within the United States, and is coordinated by the Office of Homeland Security. The National Security Council coordinates the Overseas Combating Terrorism (OCT) category and the funding associated with combating terrorism activities outside the United States. Together, the two areas comprise the overall combating terrorism budget for the federal government. OHS and NSC work together, along with the agencies that carry out programs to combat terrorism, to ensure continuity in our Nation's efforts.

Combating terrorism includes both antiterrorism (defensive measures used to combat terrorism) and counterterrorism (offensive measures used to combat terrorism), and includes the following five categories/mission areas:

- research and development;
- preparing for and responding to terrorist incidents;
- physical security of government facilities and employees;
- physical protection of national populace; and
- investigative, intelligence, and offensive activities.

CIP programs enhance the physical and cybersecurity of public and private sector infrastructures, especially cyber systems so vital to the nation that their incapacitation or destruction would have a debilitating impact on national security, national economic security, or national public health and safety.

COOP refers to the capability of federal agencies to perform essential functions during any emergency or situation that may disrupt normal operations.

Homeland Security

When President Bush created the Office of Homeland Security, under the leadership of Governor Tom Ridge, he directed the Office "to develop and coordinate the implementation of a comprehensive national strategy to secure the United States from terrorist threats or attacks." This strategy will:

- be comprehensive and will integrate the full range of homeland security activities into a single, mutually supporting plan.

• be a national strategy, not a federal government strategy. The threat posed by terrorism does not fall neatly within the jurisdiction of the federal government. To defeat terrorism, the federal government must work with states, localities, and the private sector.
• commit the federal government to a long-term plan to improve homeland security.
• include benchmarks and other performance measures by which we can evaluate progress and allocate resources. These objectives will set the goals for federal departments and agencies. They will also give guidance to state and local governments and the private sector.

The homeland security initiatives described below represent an initial step in a comprehensive effort to implement the forthcoming strategy. Further, the homeland security strategy, along with the strategic blueprints for combating terrorism and securing cyberspace, will articulate an integrated framework to guide future budget proposals.

Part 2: Executive Summary

This report attempts to break out the programs across the federal budget that contribute to our capacity to fight terrorism. By documenting the diverse programs across the federal government we hope to show how agencies work together to fight a common enemy. Each agency provides unique capabilities that focus on different aspects of the overall mission. The report also aims to illustrate areas of potential duplication of effort, allowing policymakers to focus resources on the programs that best enhance our capacity overall. The Administration believes that, by providing the Congress better visibility into its combating terrorism request and improved justification for its proposals to combat terrorism, we can reduce the need for supplemental requests and strengthen our ability to prepare for and deter terrorism as part of the standard budget process.

Major Changes in Funding

The most noticeable change in funding stems from the realignment of base activities defined as homeland security, including all border and aviation security activities. To a lesser extent a realignment of base activities also occurred in the overseas combating terrorism activities. The shift in priority on terrorism collection targets in the intelligence community caused an adjustment in the baseline included in the database. The inclusion of these activities increases the base in FY 2001 from $12 billion as reported in last year's annual report to nearly $20 billion as estimated in this year's report. This adjustment in the base is important to note because it does not represent real program growth, but rather a change in the definition of activities that are included in the report.

The inclusion of all border and aviation security activities as homeland security accounts for the largest change in the baseline. In previous years, agencies that support border security such as the Customs Service, INS, Coast Guard, State Department, and the Animal and Plant Health Inspection Service (APHIS) reported only portions of their activities combating terrorism related. In this report (as in the 2003 Budget), all border security related activities in these agencies are recorded as homeland security. Using the same definition of the baseline activities comparable data is provided for fiscal years 2001, 2002, and 2003. The Funding by Mission section of the report also highlights agencies for which the baseline estimates have changed.

In addition, in response to the September 11th attacks, Congress appropriated $40 billion through the Emergency Response Fund (ERF). These funds were then allocated to various agencies. $13.9 billion of these funds were allocated to activities that immediately increased our security and capability to fight terrorism and thwart future attacks ($3.2 billion for overseas and national security activities and $10.7 billion for homeland security). The ERF levels tracked in this report include only those funds that enhance our ability to fight terrorism and protect our homeland and <u>not</u> recovery costs associated with the September 11th attacks.

In FY 2002 and FY 2003, the most substantial program growth occurred and will occur in four homeland security initiative areas -- supporting first responders, defending against

biological terrorism, securing America's borders, and using 21st century technology to defend the homeland – as well as aviation security and overseas combating terrorism activities.

- **Supporting First Responders**. Firefighters, police, and emergency medical workers are on the front lines in the war against terrorism. The President's 2003 Budget proposes to spend $3.5 billion on enhancing the homeland security response capabilities of America's first responders – a greater than 10-fold increase in Federal resources. Funds would support: planning, to help state and local governments develop comprehensive plans to prepare for and respond to a terrorist attack; equipment, to allow state and local first responder agencies to purchase a wide range of equipment needed to respond effectively to a terrorist attack; training, to ensure that first responders can respond to, and operate in, the case of a chemical or biological event; and, exercises to improve response capabilities, practice mutual aid, and assess operational improvements and deficiencies. The Administration proposes to shift responsibility for administering this assistance to FEMA, where working with first responders on all hazards is an essential part of the agency's core mission.

- **Defending Against Biological Terrorism**. One of the most important missions we have as a Nation is to be prepared for the threat of biological terrorism – the deliberate use of disease as a weapon. An effective biodefense will require a long-term strategy and significant new investment in the U.S. health care system. The President is taking steps now that will significantly improve the Nation's ability to protect its citizens against the threat of bioterrorism. The President's Budget for 2003 proposes $5.9 billion to defending against biological terrorism, an increase of $4.5 billion – or 319 percent – from the 2002 level. This new funding will focus on: infrastructure, to strengthen the state and local health systems, including by enhancing medical communications and disease surveillance capabilities, to maximize their contribution to the overall biodefense of the Nation; response, by improving specialized Federal capabilities to respond in coordination with State and local governments, and private capabilities in the event of a bioterrorist incident and build up the National Pharmaceutical Stockpile; and by meeting the medical needs of our bioterrorism response plans by developing specific new vaccines, medicines, and diagnostic tests through an aggressive research and development program.

- **Securing America's Borders**. In the 2003 Budget, the President will propose approximately $11 billion for border security, including $380 million for the Immigration and Naturalization Service to construct a state of the art Entry-Exit visa system. In total, this will represent an increase of $2.2 billion from the 2002 Budget for border security. This additional funding will allow our border agencies to begin implementing a seamless air, land, and sea border that protects the United States against foreign threats while moving legitimate goods and people into and out of the country. The new border initiatives will be managed by the agencies with primary responsibility for border control, including the Customs Service, the INS, and the Coast Guard. Funds would support additional personnel, new technology, increased coordination, and coastal asset and infrastructure protection.

- **Using 21st Century Technology to Defend the Homeland**. The President believes that an effective use of intelligence and closer coordination across all levels of government will help stop future terrorist attacks. In the wake of September 11, for example, we discovered that

information on the hijackers' activities was available through a variety of databases at the Federal, State, and local government levels as well as within the private sector. Looking forward, we must build a system that combines threat information and then transmits it as needed to all relevant law enforcement and public safety officials. The President's budget calls for $722 million for programs that utilize and protect technology to defend the homeland. It also sets in motion a program to use information technology to more effectively share information and intelligence, both horizontally (among Federal agencies and Departments) and vertically (among the Federal, State and local governments). Moving forward, we must ensure that the information that is needed to track and apprehend terrorists can be transmitted to those in the position to act in a timely way. All levels of government and the private sector are already taking steps to break down the stovepipes that have prevented such information sharing in the past.

More information about these homeland security priorities can be found in, "Securing the Homeland, Strengthening the Nation" (http://www.whitehouse.gov/homeland/).

- **Aviation Security**. On November 19, 2001, the President signed into law the Aviation and Transportation Security Act, which among other things established a new Transportation Security Administration (TSA) within the Department of Transportation. This Act established a series of challenging but critically important milestones toward achieving a secure air travel system. The President's Budget for 2003 requests $4.8 billion to fulfill the mandates established by the Act. The budget supports measures to improve passenger and cargo screening, Federal Air Marshals, and transportation network security.

    - **Overseas Combating Terrorism** (OCT) activities aim to stop the terrorists before they can reach the homeland. Direct military actions such as the war in Afghanistan are not included in this category. Offensive Special Forces operations specifically targeting terrorists and their safe havens abroad and foreign intelligence collection on terrorists and terrorist organizations create the bulk of the types of activities in OCT. While the dollar amounts are not as significant, State Department activities to assist other governments in their struggle against terrorist, and the Department of Energy's crucial role in keeping weapons of mass destruction out of the hands of terrorists are also key components of the overseas activities.

The initiatives discussed above are the major programmatic changes that drive growth in this report's past characterizations of funding to combat terrorism, protect critical infrastructure, and ensure continuity of operations.

The increase in spending related to all Weapons of Mass Destruction (WMD) including bioterrorism went from $3.3 billion in FY02 to $11.7 billion in FY03. The largest piece of the increase is due specifically to increases in funding to improve our protection against possible bioterrorist attack. The table labeled WMD by Agency in the Funding Summaries section of the Report gives the agency by agency totals for FY 2001 through FY 2003.

COOP funding increased slightly for all non-National Security agencies. However, the National Security community received a large one time increase in the ERF funding. In FY02 COOP funding totaled $112 million (est $214 million with NS); the request in FY03 is $238

million (est $412 million with NS). While the Department of Defense was able to operate and carry on many of their vital mission functions, the devastating attack on the Pentagon highlighted the needs in continuity of operations capabilities. The National Security community put forward a massive effort in the ERF, a total of $579 million, to fill those gaps in capabilities, and the COOP planning reflects that increased level of effort. The attack on the Pentagon also forced other agencies to review their ability to continue vital government operations if they had received a similar blow. Most agencies noted that with a few changes they could significantly improve their ability to operate in the event of an attack.

Funding for CIP greatly increased in the majority of agencies except in the National Security community where funding remained fairly constant. The CIP funding request for non-National Security agencies is $1.6 billion in FY03, an increase of 74 percent over the FY02 enacted levels. Because of the national security mission of the majority of the information and communications systems used by the National Security community their CIP funding has always been more than the rest of the federal government combined. Maintenance of national security related systems and infrastructure are crucial to the federal government. National Security community funding increased slightly from $2.25 billion to $2.34 billion. Other agencies reviewed the protection of their critical systems and infrastructure post-September 11th, and noted immediate needs that required an increase in their CIP funding.

Major Agency Highlights

The Department of Justice, the National Security agencies, Department of Treasury, Department of Transportation (DOT), FEMA, and the Department of Health and Human Services (HHS) contribute significantly in the war against terrorism both at home and abroad and each one fills a major role. For example, FEMA is the lead Federal agency for consequence management efforts and oversees continuity of operations efforts. HHS supports consequence management efforts by providing the lead role in public health and bioterrorism preparedness efforts. Transportation provides a leadership role in the safety of our airports, waterways, and highways. The agencies of the National Security community take the lead in offensive measures and searching out and finding terrorists before they reach the United States. The Federal Bureau of Investigation, on behalf of Justice, is the lead Federal agency for crisis management, investigating possible terrorist actions within our borders, and providing the crucial link between federal and state/local law enforcement activities. Treasury provides a key role in protecting our borders and investigating terrorist financing. All of these agencies are requesting increases in funding to cover an increase in operations and new operations started as a response to events last fall. Details of specific agency activities can be found in the Agency Roles and Funding section of the report.

Part 3: Funding Summaries

Funding Since FY 2001

The FY 2003 President's Budget request for Combating Terrorism, including Defense against WMD, is $44.8 billion, an increase of $20.6 billion (85 percent) over the FY 2002 base level of $24.2 billion. In additional to regular appropriations, agencies working to combat terrorism received $12.2 billion for emergency purposes in FY 2002. With this emergency funding, enacted FY 2002 combating terrorism appropriations totaled $36.5 billion in FY 2002.

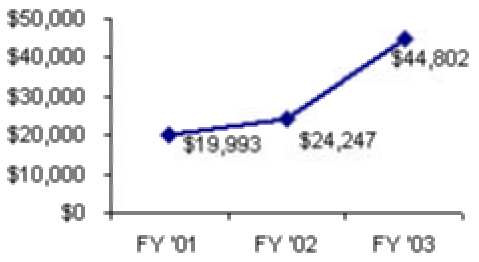
Funding to defend against a terrorist incident involving WMD is a subset of funding to overall combat terrorism. Of the $44.8 billion requested for combating terrorism, $11.7 billion is specifically oriented on defense against WMD. This represents a dramatic increase of $8.5 billion over the FY 2002 enacted level of $3.3 billion. The emergency supplemental in FY 2002 included $4.5 billion for defense against WMD bringing the WMD total for FY 2002 to $7.8 billion.

This report also provides some basic information on funding to protect critical infrastructure and continuity of operations because these missions are closely related to efforts to combat terrorism. The FY 2003 President's Budget includes $3.9 billion to protect critical infrastructure, an increase of $766 million (24 percent) over FY 2002 enacted levels. Continuity of operations, FY 2003 President's Budget request is $412 million an increase of $198 million (93 percent) over the FY 2002 enacted level of $214 million. The supplemental included substantial funding for National Security community COOP programs. National Security community supplemental funding was $579 million while the rest of the federal government's supplemental funding for COOP was $64 million.

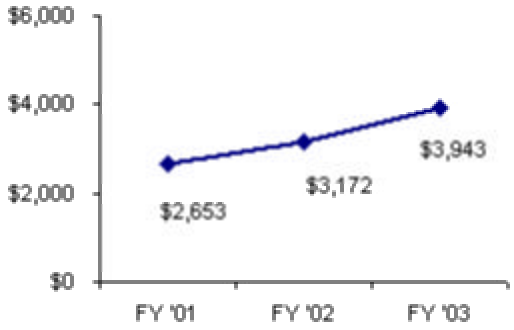
As described in the introduction, $237 million of the FY 2003 funding to protect critical infrastructure and $34 million of the continuity of operations funding, also support the combating terrorism mission, therefore ***this funding should not be combined with the total for combating terrorism***. Total Federal funding to counter these threats, excluding the overlap among the three missions, is $22.7 billion in FY 2001, $27.5 billion in FY 2002, and $48.7 billion in FY 2003.

Figures 1 through 3 depict the funding for CbT, CIP, and COOP over the past three years using the new baseline of activities mentioned above.

CbT (in millions)



CIP (in millions)



COOP (in millions)

Funding by Domestic/Homeland Security versus Overseas Combating Terrorism

During the budget process last fall the definition used to create the homeland security budget included all domestic activities in the CbT, CIP, and COOP database. The homeland security funding does not include CIP, COOP or overseas combating terrorism activities for the National Security community. The national strategy for OHS will give the final definition on the activities included in the homeland security budget. The overseas combating terrorism budget includes only those combating terrorism activities that occur outside of the United States. The homeland security budget (excluding the CIP, COOP activities) added to the overseas combating terrorism budget provides the total federal budget for combating terrorism.

All Homeland Security Funding (in Millions)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$339.87	$423.56	$328.00	$573.38
Commerce	$97.65	$99.93	$18.02	$158.68
Corporation for National Community	$0.00	$29.00	$0.00	$118.00
District of Columbia	$0.00	$12.65	$200.00	$15.00
Education	$0.04	$0.04	$0.00	$0.04
Energy	$1,000.28	$1,044.03	$165.70	$1,201.40
EOP	$0.16	$2.00	$138.00	$47.50
EPA	$5.59	$12.48	$173.43	$133.48
Federal Communications Commission	$0.00	$0.00	$0.00	$1.00
FEMA	$31.45	$38.63	$35.00	$3,554.53
GSA	$92.93	$128.65	$126.50	$346.91
HHS	$401.36	$441.47	$2,642.65	$4,408.39
HUD	$1.97	$1.97	$0.00	$2.72
Interior	$25.18	$21.55	$92.59	$110.51
Justice	$4,625.71	$5,192.80	$2,202.64	$7,112.16
Kennedy Center	$0.00	$0.00	$4.31	$1.91
Labor	$15.97	$20.49	$5.88	$26.95
NASA	$120.42	$120.42	$108.50	$137.48
National Archives	$0.00	$0.00	$2.00	$7.00
National Capital Planning Commission	$0.00	$0.00	$0.76	$0.00
National Gallery of Art	$0.00	$0.00	$2.15	$2.17
National Science Foundation	$212.15	$216.69	$0.30	$236.33
National Security	$4,021.00	$4,720.00	$1,561.00	$7,844.00
Nuclear Regulatory Commission	$5.85	$5.13	$36.00	$34.41
OPM	$2.04	$1.93	$0.00	$1.25
SEC	$1.86	$0.75	$0.00	$0.17
Small/Indep Agencies	$1.54	$2.50	$0.10	$1.97
Smithsonian	$0.00	$0.00	$21.70	$20.00
Social Security Administration	$73.83	$105.60	$7.50	$129.16
State	$476.37	$537.56	$47.70	$749.50
Transportation	$2,535.90	$4,219.70	$1,389.15	$7,784.17
Treasury	$1,786.38	$2,137.90	$603.66	$2,888.75
United States Postal Service	$0.00	$0.00	$675.00	$0.00
US AID	$0.11	$0.18	$0.00	$0.18
US Army Corps of Engineers	$0.00	$0.00	$138.60	$65.00
Veterans Affairs	$18.74	$45.42	$2.00	$83.92
Grand Total	**$15,894.34**	**$19,583.01**	**$10,728.83**	**$37,798.01**

All Overseas Combating Terrorism (in Millions)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Energy	$0.00	$301.00	$145.00	$429.00
National Security	$3,755.35	$3,987.20	$1,776.13	$6,415.43
State	$1,123.00	$1,238.00	$105.00	$1,530.00
US AID	13.00	18.04	14.40	95.70
Grand Total	**$4,891.35**	**$5,544.24**	**$2,040.53**	**$8,470.13**

All Combating Terrorism Homeland and Overseas (in Millions)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$335.98	$419.67	$317.60	$563.97
Commerce	$67.10	$67.22	$7.77	$104.68
Corporation for National Community	$0.00	$29.00	$0.00	$118.00
District of Columbia	$0.00	$12.65	$200.00	$15.00
Energy	$946.92	$1,294.75	$310.70	$1,557.46
EPA	$3.20	$9.45	$54.60	$92.00
FEMA	$28.67	$35.93	$35.00	$3,551.56
GSA	$83.99	$114.19	$126.50	$325.73
HHS	$304.90	$339.18	$2,637.90	$4,317.13
HUD	$1.97	$1.97	$0.00	$2.72
Interior	$19.08	$13.98	$92.59	$101.71
Justice	$4,621.52	$5,158.57	$2,202.64	$7,089.35
Kennedy Center	$0.00	$0.00	$4.31	$1.91
National Archives	$0.00	$0.00	$2.00	$7.00
National Capital Planning Commission	$0.00	$0.00	$0.76	$0.00
National Gallery of Art	$0.00	$0.00	$2.15	$2.17
National Science Foundation	$7.00	$7.00	$0.30	$32.60
National Security	$7,776.35	$8,707.20	$3,337.13	$14,259.43
Nuclear Regulatory Commission	$4.85	$4.76	$35.21	$33.79
Smithsonian	$0.00	$0.00	$21.70	$20.00
State	$1,599.37	$1,775.56	$152.70	$2,279.50
Transportation	$2,448.17	$4,120.43	$1,280.65	$7,281.77
Treasury	$1,730.77	$2,094.79	$569.27	$2,828.37
United States Postal Service	$0.00	$0.00	$675.00	$0.00
US AID	$13.00	$18.04	$14.40	$95.70
US Army Corps of Engineers	$0.00	$0.00	$138.60	$65.00
Veterans Affairs	$0.24	$22.22	$2.00	$55.16
Grand Total	**$19,993.08**	**$24,246.55**	**$12,221.47**	**$44,801.71**

All Weapons of Mass Destruction Funding (in Millions)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$330.14	$413.84	$316.40	$554.43
Commerce	$6.45	$9.25	$0.00	$7.25
Energy	$537.78	$841.75	$199.70	$1,040.36
EPA	$3.20	$9.45	$54.60	$92.00
FEMA	$27.32	$34.73	$35.00	$3,549.93
HHS	$304.90	$339.17	$2,637.90	$4,317.13
Interior	$18.76	$13.76	$92.59	$101.51
Justice	$158.81	$329.96	$411.28	$104.91
National Science Foundation	$7.00	$7.00	$0.00	$27.00
National Security	$489.62	$597.22	$11.00	$1,001.80
Nuclear Regulatory Commission	$3.78	$3.72	$25.25	$21.94
State	$88.00	$79.00	$0.00	$192.00
Transportation	$417.53	$499.72	$16.50	$601.00
Treasury	$80.52	$76.04	$31.80	$104.67
United States Postal Service	$0.00	$0.00	$675.00	$0.00
US AID	$0.90	$1.10	$0.00	$1.10
TOTAL	**$2,474.71**	**$3,255.71**	**$4,507.02**	**$11,717.03**

Major Increases in FY 2003

Major increases included in the FY 2003 President's Budget for combating terrorism are described below by category. The categories attempt to break the combating terrorism budget into specific mission areas. The mission categories are:

Investigative, Intelligence, and Offensive Activities: Activities to reduce the ability of groups or individuals to commit terrorist acts, and investigation and prosecution of terrorist acts when they occur. Includes intelligence collection activities and programs to detect and prevent the introduction of weapons of mass destruction into the US.

Preparing for and responding to terrorist incidents: Planning, training, equipment, and personnel directed at incident response.

Physical security of government facilities and employees: Activities to protect federally-owned, leased, or occupied facilities and Federal employees, including high-ranking officials, from terrorist acts. Also includes protection activities for foreign embassies, dignitaries, and other persons as authorized by Federal law or executive order.

Physical protection of national populace and national infrastructure: Activities related to physical protection of the national infrastructure including: air traffic, railroad, highway, maritime, and electronic distribution systems; physical protection of energy production, distribution and storage (electrical, natural gas, petroleum); physical protection of vital services, including banking and finance, water, and emergency services; and protection of telecommunications systems.

Research and development: Research and development activities to develop technologies to deter, prevent, or mitigate terrorist acts.

The following major increases in combating terrorism funding are requested for **Physical Security of Government and the National Populace**:

- GSA $196 million for a heightened level of guard service at Federal facilities, put in place after September 11; to install security countermeasures such as barriers, magnetometers, cameras, etc.; and to study the physical structures of existing buildings for the development of measures to prevent progressive structural collapse.

- HHS Physical Security +$132 million for increased security at HHS laboratories and CDC centers important to our efforts to combat bioterrorism.

The following major increases in combating terrorism funding are requested for **Investigative, Intelligence, and Offensive Activities**:

- Energy +$128 million increase in threat assessment activities related to WMD activities.

- Justice: +$1,942 million The majority of which is for the FBI to improve its ability to detect, prevent, and investigate terrorist incidents, and for the INS to improve control of the borders and enhance its intelligence and systems capabilities.

- National Security: +$3,898 million increase due to a realigning of baseline activities as well as a substantial real funding increase in offensive operations overseas to rout out terrorists and destroy their safe havens.

The following major increases in combating terrorism funding are requested for **Preparing for and Responding to Terrorist Acts**:

- HHS +$2,194 million increase aimed at increasing public health capabilities against bioterrorist attacks.

- FEMA +$3,466 million The President's Budget requests $3.5 billion, through FEMA, in grant funding to state and local authorities to increase their preparedness against terrorist attacks.

The following major increases in combating terrorism funding are requested for **Research and Development**:

- HHS +$1,652 million The majority of the R&D increase is in NIH to research vaccines and other medicines for protection against bioterrorism.

- EPA Research: +$72.2 million EPA budget request includes $75 million to research better techniques for cleaning up building contaminated by biological agents.

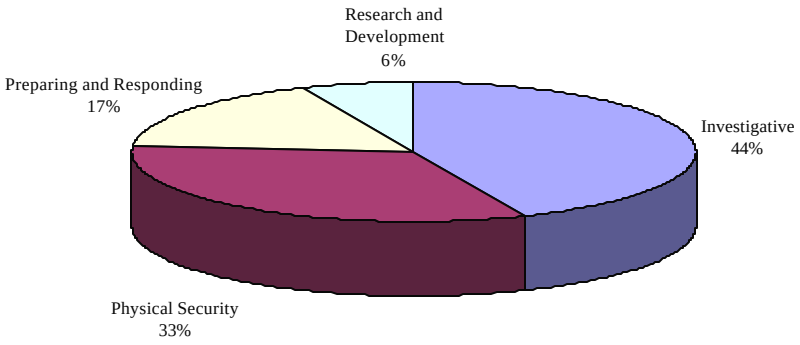
- NSF +$20 million FY 2003 request provides $27 million at NSF, in cooperation with other Federal agencies, for research to combat bioterrorism in the areas of infectious diseases and microbial genome sequencing. NSF will fund the sequencing of microbes with specific relevance to bioterrorism as well as develop predictive models of transmission of infectious diseases that could be related to bioterrorism events.

Major Decreases in FY 2003

Due to the increased need to address unconventional threats in the FY 2003 budget there were very few decreases. The specific program decreases that occurred were relatively small and usually due to completion of specific projects, or Congressional adds in FY 2002 not continued in FY 2003, for example, several R&D programs in the DoD CIP funding amounting to nearly $200 million were one-time Congressional adds. Additional FY 2003 decreases result in reducing duplication of effort and consolidating missions in specific federal agencies, for example consolidating first responder grant and assistance programs previously in both Justice and FEMA into FEMA.

Part 4: Funding by Mission Area

Funding by Mission Area



Physical Security of Government and National Populace

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$5.84	$5.83	$77.30	$37.79
Commerce	$3.40	$3.40	$5.32	$15.34
Energy	$783.56	$831.85	146.70	$931.65
FEMA	$1.83	$1.65	$0	$2.40
GSA	$64.56	$98.83	$77.57	$295.00
HHS	$4.75	$0	$59.20	$132.0
HUD	$1.97	$1.97	$0	$2.72
Interior	$6.62	$6.70	$54.71	$65.01
Justice	$131.09	$133.84	$173.77	$273.65
Kennedy Center	$0	$0	$4.31	1.91
National Capital Planning Commission	$0	$0	$.76	$0
National Gallery of Art	$0	$0	$2.15	$2.17
National Science Foundation	$0	$0	$.30	$5.60
National Security	$4,217.20	$4,954.57	$53.00	$6,204.55
Nuclear Regulatory Commission	$4.85	$4.76	$35.21	$33.79
Smithsonian	$0	$0	$21.70	$20.00
State	$1,102.37	$1,231.56	$125.70	$1,392.50
Transportation	$714.92	$2,032.44	$586.09	$4,742.85
Treasury	$212.44	$264.61	$31.35	$271.59
USAID	$12.10	$16.94	$14.40	$94.60
US Army Corps of Engineers	$0	$0	$138.60	$65.00
Veteran Affairs	$.24	$.22	$2.00	$.16
Total	**$7,267.74**	**$9,589.17**	**$1,610.14**	**$14,590.28**

The Physical Security categories include Physical Security of Government and Physical Security of the National Populace. Physical Security of Government consists of activities to protect Federally-owned, leased, or occupied facilities and Federal employees, including high-ranking officials, from terrorist acts. It also includes protection activities for foreign embassies, dignitaries, and other persons as authorized by Federal law or executive order. Physical Security of the National Populace and National Infrastructure includes activities related to physical protection of the national infrastructure, including air traffic, railroad, highway, maritime, and electronic distribution systems; physical protection of energy production, distribution and storage (electrical, natural gas, petroleum); physical protection of vital services, including banking and finance, water, and emergency services; and protection of telecommunications systems. There is no counterterrorism funding in physical security categories, because physical security is, by definition, a defensive activity.

FY 2003 Request

The President's Budget for physical security has increased by $5 billion (or 52 percent) to $14.6 billion from $9.6 billion in FY 2002. The physical security mission accounts for 33

percent of the FY 2003 Budget request. The major portion of the increase is due to the creation of the Transportation Security Administration (TSA). After the events of September 11th, the Administration and Congress agreed that the safety of our transportation networks, including air travel, required that the security be federalized.

Budget Overview

Terrorists and other criminals plan their attacks where they are most likely to meet with success, and are deterred when faced with effective security. Terrorists seek to destroy public confidence and disrupt vital segments of the U.S. and world economies, we deter their efforts by providing improved physical security. Providing adequate protection for the national populace, vital government installations, and transportation routes and methods is a key part of combating terrorism.

The Budget Request will enable TSA to complete a Federal takeover of aviation security. As September 11th taught us, the aviation system and innocent air travelers are a prime terrorist target. Thousands of lives were tragically lost, and resulting damage to commercial aviation undermined the economy. TSA is undertaking dramatic improvements to the system to deter terrorists and prevent future attacks. Airports will get better trained and qualified screening staff, the latest technology, and improved processes and procedures. Air travelers will get the piece of mind that the Federal government is providing a world class security system. Commercial air carriers will get the assurance that security considerations will not be an impediment to business success.

The National Security community continues to have the highest percentage of funding in this mission area due to their large presence overseas and their high visibility as symbols of U.S. power and presence. The Department of State also accounts for a significant portion of the total due to the security required at embassies and increasing security needs for senior government officials overseas. The Department of Energy also has a significant share of the physical security category to fund its programs to protect physical infrastructure critical to the supply and transmission of all forms of energy in the United States.

Investigative, Intelligence, and Offensive Activities

	FY01 Actual	*FY02 Enacted*		
Commerce	$63.70	$55.02	$.76	$68.84
Energy	$2.00	$303.00	$145.00	$431.00
EPA	$0	$3.46	$7.00	$3.80
GSA	$13.81	$13.59	$20.10	$27.88
Interior	$7.46	$6.30	$19.93	$35.24
Justice	$4,276.36	$4,646.70	$1,426.14	$6,557.23
National Security	$3,069.53	$3,155.41	$3,273.13	$7,053.08
State	$447.00	$507.00	$0	$764.00
Transportation	$1,503.16	$1,794.80	$33.51	$2,193.01
Treasury	$1,505.66	$1,798.51	$445.29	$2,454.36
Total	**$10,888.68**	**$12,283.79**	**$5,370.86**	**$19,588.44**

This category captures activities to reduce the ability of groups or individuals to commit terrorist acts, and the investigation and prosecution of terrorist acts when they occur. This includes intelligence collection activities overseas and programs to detect and prevent the introduction of weapons of mass destruction into the United States. This category includes both antiterrorism investigative activities that reduce risk through the identification of threats and vulnerabilities, and counterterrorism activities relating to the apprehension and prosecution of terrorists.

FY 2003 Request

The President's Budget for Investigative, Intelligence, and Offensive Activities increased $7.3 billion (or 59 percent) to $19.6 billion from $12.2 billion in FY 2002. This mission area accounts for 44 percent of the FY 2003 Budget request. The Administration shows its commitment to stopping terrorists before they strike through the increased funding for the investigative, intelligence, and offensive mission area of combating terrorism. The physical security activities that we fund are important to mitigating the effects of a terrorist attack or deterring terrorists from striking a specific target. But those physical security programs do not increase the security of the global environment. In order to increase security not only for the U.S., but globally, the U.S. actively goes out and pursues terrorists domestically and internationally. Investigative, intelligence, and offensive programs create a secure global environment for all nations and a hostile environment for terrorist and those that support them.

Budget Overview

Counterterrorism law enforcement, investigations, and intelligence activities play a primary roll in our war against terrorism. The national security community accounts for most counterterrorism activities, including intelligence collection and analyses and counterintelligence investigations. The Justice Department also plays a major role this area, in funding apprehension and prosecution efforts. Treasury financial law enforcement investigations also account for a small portion of the counterterrorism investigative total.

Increases in this category support enhanced Department of Justice law enforcement functions, including FBI field investigations, information technology support, and Immigration and Naturalization Service intelligence teams for ports of entry. The FBI reprioritized their missions and activities to increase the amount of time and effort agents spend on terrorist related activities and has adjusted their funding reported in the annual report to reflect that reprioritization (realignment of the baseline activities).

The Department of Treasury FY 2003 budget supports follow-on costs associated with the enhancements from the ERF, as well as new homeland security spending. The increases include: over $300 million for the Customs Service to support over 500 new FTE at the northern border, southwest border, and maritime ports, as well as inspection equipment for all ports of entry and infrastructure improvements along the northern border; $40 million for the Treasury Counter-terrorism Fund; and $21.7 million for Office of Foreign Asset Control, a $3 million increase for additional intelligence and analytical resources to assist OFAC in freezing terrorist assets.

Dramatic increases in funding in the National Security community is due in part to refinement of definitions. In previous reports, some defense and intelligence agencies did not include important offensive activities carried out overseas in these categories. Additionally, some intelligence activities that provide valuable information to terrorist target collection efforts had not been included either since these were not considered part of their core mission. Increases in these offensive activities are part of OCT efforts and include efforts to prevent, deter and disrupt terrorists from entering and attacking the Untied States.

The inclusion of Department of Energy information in this category is new beginning in FY 2002. The National Nuclear Security Administration (NNSA), created in 2001, funds programs that investigate nuclear smuggling to keep dangerous nuclear materials out of the terrorists' hands. The NNSA programs aimed at foreign nuclear scientists ensure that those with the knowledge to create weapons of mass destruction do not support the efforts of terrorists and terrorist organizations to obtain such weapons.

The Department of State has substantial activities in this area which include investigative programs designed to assist countries in border security and other antiterrorism training assistance programs. For the first time the funding data also includes the State Department's visa program in its entirety, as part of the homeland definition of all border security as contributing to homeland security efforts.

Preparing for and Responding to Terrorist Incidents

	FY01 Actual	*FY02 Enacted*		*FY03 Request*
Agriculture	$278.48	$329.87	$149.00	$477.34
Commerce	$0	$2.50	$1.69	$.5
Corporation for National Community	$0	$29.00	$0	$118.00
District of Columbia	$0	$12.65	$200.00	$15.00
Energy	$93.09	$92.43	$0	$95.03
EPA	$3.20	$3.19	$46.10	$13.20
FEMA	$26.84	$34.28	$35.00	$3,549.16
GSA	$5.62	$1.77	$28.83	$2.85
HHS	$197.37	$220.04	$2,398.70	$2,414.19
Interior	$5.00	$.97	$17.95	$1.46
Justice	$202.67	$311.95	$602.73	$222.39
National Archives	$0	$0	$2.00	$7.00
National Security	$190.67	$211.75	$0	$234.61
State	$50.00	$37.00	$0	$123.00
Transportation	$179.90	$234.92	$615.05	$286.66
Treasury	$11.63	$30.52	$92.63	$101.27
USAID	$.9	$1.10	$0	$1.10
US Postal Service	$0	$0	$675	$0
Veterans Affairs	$0	$22.0	$0	$55.0
Total	**$1,245.37**	**$1,575.94**	**$4,864.68**	**$7,717.76**

The "Preparing for and Responding to Terrorist Acts" category captures planning, training, equipment, and personnel directed at incident response. Most funding in this category falls under antiterrorism, but Justice, Energy, the National Security community, and State fund special response teams and training that can support terrorism investigations or intelligence gathering.

FY 2003 Request

The President's Budget for this category increased by $6.1 billion (390 percent) to $7.7 billion from $1.6 billion in FY 2002. The increase comes primarily from a grant program in FEMA to assist state and local responders, and the expansion of HHS efforts, including upgrades of State and local surveillance, epidemiological, and laboratory capabilities, hospital infrastructure and planning improvements, as well as enhancements to federal capacities including the National Pharmaceutical Stockpile, and improved readiness of its emergency response teams.

Budget Overview

The dramatic increases throughout this category show the Administration's determination to proactively train and equip the country to better deter, and respond effectively to an attack.

Preparation will mitigate the physical effects of an attack and will further provide Americans an edge psychologically. Terrorists aim not only to cause physical destruction, they attempt to destroy the freedoms, liberties, and openness that form the foundation of American society. Being properly prepared for an attack, and knowing how to respond in case of another possible attack decreases the physical and psychological effects.

FEMA's budget reflects the largest percentage increase in this category and over its FY 2002 enacted level. Through FEMA, the federal government will provide $3.5 billion in assistance to state and local authorities to train first responders and procure equipment, providing an overall increased level of readiness for those first on the scene of an attack: police, firefighter, and EMS medical personnel. This year's request shifts the programs administered by Justice's Office for Domestic Preparedness (ODP) to FEMA's Office of National Preparedness (ONP). This consolidation will provide first responders with a single-point-of contact for and access to all federal assistance efforts. FEMA will provide grants and training; they will coordinate exercises at the Federal, state, and local levels.

In line with its designation as lead agency for medical response, HHS funding in this category also increased dramatically. HHS leads the federal effort to ensure public health and safety through rapid identification of and response to biological attacks. Funding is dedicated to enhance Federal, state, and local readiness in this area, and to make coordination and infrastructure improvements to the nation's hospital system. Funding will also increase the stockpile of vaccines, antibiotics, and other vital medicines and equipment, and our capability to get these items to the scene of an attack as quickly as possible.

The National Security community activities include its role to support civil authorities in consequence management and its responsibilities to respond to a WMD terrorist attack on its own facilities. The Foreign Emergency Support Team also included in this category assists the Chief of Mission at the request of a host nation to resolve a terrorist crisis.

Research and Development

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$51.66	$83.97	$91.30	$48.84
Commerce	$0	$6.30	$0	$20.00
Energy	$66.17	$64.97	$19.00	$99.78
EPA	$0	$2.80	$1.50	$75.0
HHS	$102.78	$119.14	$180.00	$1,770.94
Justice	$11.40	$66.08	$0	$36.08
National Science Foundation	$7.00	$7.00	$0	$27.00
National Security	$298.95	$385.47	$11.00	$767.19
Transportation	$50.20	$58.27	$64.00	$59.25
Treasury	$1.24	$1.15	$0	$1.15
Total	**$589.40**	**$795.15**	**$366.80**	**$2,905.23**

This category captures research and development activities to develop technologies to deter, prevent, or mitigate acts of terrorism. R&D activities play a key role in providing the tools we need to perform each of the other mission categories effectively. Most R&D falls under antiterrorism, but the national security community, Energy, and Justice all conduct research to create and improve equipment to assist in counterterrorism investigations and intelligence gathering.

For over three years, the White House Office of Science and Technology Policy's (OSTP) has tracked and coordinated cross-cutting for combating terrorism research and development activities. OSTP reaches beyond the government into the private sector and academia to ensure that the government is not left behind when advances are made outside the public sector. The Assistant Director for Homeland and National Security within OSTP also fills the post of Senior Director for Research and Development within OHS. This provides OHS seamless reach-back into the scientific talent resident in OSTP staff, and provides OSTP awareness of the various issues OHS is confronting, while bringing the resources of the science and technology community to bear on homeland security issues in an efficient and timely manner.

OSTP facilitates R&D across federal agencies primarily through the National Science and Technology Council (NSTC). Following the terrorist attacks of September 11, the Director of OSTP established an Antiterrorism Task Force under the NSTC. That Task Force is comprised of four working groups:

- The Biological and Chemical Preparedness Working Group coordinates federal antiterrorism R&D efforts and is responsible for setting a five-year research agenda in that area by August 1 of this year;
- The Radiological, Nuclear and Conventional Detection and Response Working Group performs the same function within its focus areas;
- The Social, Behavioral and Educational Working Group addresses social science R&D relevant to terrorism; and
- The Protection of Vulnerable Systems Working Group is concerned with the nation's physical infrastructure and is intimately connected with the coordination efforts of the Special Advisor to the President for Cyberspace Security Richard Clarke.

OSTP is currently chairing interagency reviews of Federal R&D programs through the working groups of the Antiterrorism Task Force convened under the NSTC and through the R&D subgroups of the Office of Homeland Security's Research and Development Policy Coordinating Committee. Where appropriate these efforts are partnered with the NSC/OCT. This review will assist agencies in determining which R&D efforts constitute the highest national priority items and should be integrated into their budgets, thereby reducing gaps and inefficiencies. The working groups provide a forum in which the agencies can work together ensuring that knowledge gained in one agency's R&D program is shared across the government. The interagency community recognizes that development of a comprehensive and integrated set of requirements enables planners to respond effectively with procedural and technological solutions. Therefore, a number of activities are underway to develop standards and requirements for guiding R&D efforts. DOD, NIOSH, DOC (NIST and BIS), DOJ (NIJ), and DOS coordinate efforts in this area.

FY 2003 Request

The President's Budget for this category increased dramatically by $2.1 billion (265 percent) to $2.9 billion from $795 million in FY 2002. The increase reflects an increased commitment by the Administration to protect against possible future bioterrorism attacks. The apparent decrease in Justice R&D actually represents a reallocation of funding to programs in other federal agencies that can develop technology to meet immediate needs of law enforcement responders.

Budget Overview

HHS is responsible for 61 percent of combating terrorism R&D. Most of this falls within the National Institutes of Health (NIH), which will conduct basic and applied research related to likely bioterrorism agents. Funding will allow innovative research on genomics, infrastructure improvements, and the design and testing of next generation diagnostics, therapies, and vaccines. DoD also has a significant percentage of the R&D category mostly in the Defense Advanced Research Programs Agency (DARPA). DARPA's research focuses primarily on warfighting applications, but in many cases will benefit both military and domestic preparedness.

A large portion of the increase in funding for the National Security community comes from the bioterrorism initiative. Immediately after their establishment, the OHS worked with agencies to greatly enhance our capacity to defend against biological terrorism, including in the National Security community. The FY 2003 President's Budget requests $420 for two research efforts within the Department of Defense: Biological Counterterrorism Research Program, and Biological Defense Homeland Security Support Program. DoD will establish a Center for Biological Counterterrorism at the U.S. Army Medical Research and Materiel Command, Fort Detrick, Maryland with an initial focus on pathogen forensics. The Biological Defense Homeland Security Support Program will initiate demonstration of technologies in two urban areas for the timely detection of bioterrorevents. Funds for the continuation of previous medical and non-medical research efforts in protection, contamination avoidance (including detection),

and decontamination are included in the FY 2003 budget request for the National Security community.

Also included in the National Security community total is $49 million for the Technical Support Working Group (TSWG), a mechanism that has proven extraordinarily effective for developing new technologies and equipment to counter terrorism. The TSWG is an organization that conducts a multi-agency R&D program, and provides a forum that identifies, prioritizes, and coordinates interagency and international R&D requirements for combating terrorism. Under Department of State policy oversight and Department of Defense execution oversight, with the participation of 80 organizations across government, the TSWG rapidly develops technology and equipment to meet the high-priority needs of the combating terrorism community, and addresses joint international operational requirements through cooperative R&D with the United Kingdom, Canada, and Israel. The TSWG also has an effective outreach program, so that state and local agencies can benefit from new technology developments. Additional funding from other agencies is provided based on how well TSWG's R&D plan supports individual agency needs--agencies contribute to coordinated TSWG activities when there is multiple agency interest on a given project. Agency contributions, including additional funding from DoD sources, have accounted for 20-25% of TSWG's budget in recent years.

Current EPA R&D funding supports research on the effects of World Trade Center dust contaminants on human health. In FY 2003, EPA will begin a major initiative to enhance its abilities to cleanup biological attacks on buildings through application of current and developing technologies.

Other major players in combating terrorism R&D are Energy, and USDA DoJ. Energy's National Nuclear Security Administration (NNSA) R&D program emphasizes maintaining the technology base and conducting the applied research needed to develop and demonstrate nuclear, chemical, and biological detection and related technologies to better prepare for and respond to the threat of domestic chemical and biological attacks. USDA's Agricultural Research Service conducts extensive research into plant, pest and animal diseases from natural or inadvertent introductions. Much of this research benefits antiterrorism efforts whether the cause was naturally occurring, or the result of criminal, or terrorist actions. DoJ's National Institute of Justice will continue to develop technologies suitable for state and local law enforcement's combating terrorism efforts.

All CIP Including Overlap with CT (in Millions)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$21.22	$49.01	$90.08	$12.78
Commerce	$27.94	$30.10	$10.25	$50.69
Energy	$48.41	$46.25	$0.00	$71.79
EOP	$0.16	$1.80	$123.00	$42.50
EPA	$2.15	$3.35	$121.01	$41.67
FEMA	$1.55	$1.47	$0.00	$1.47
GSA	$7.98	$13.48	$0.00	$19.58
HHS	$84.34	$96.75	$0.00	$87.19
Interior	$2.60	$3.79	$0.00	$0.38
Justice	$72.29	$80.41	$73.83	$153.87
Labor	$13.37	$16.58	$5.88	$23.80
NASA	$116.00	$112.00	$108.50	$133.00
National Science Foundation	$205.15	$209.69	$0.00	$203.73
National Security	$1,824.13	$2,254.49	$514.27	$2,343.38
OPM	$0.85	$0.00	$0.00	$0.00
Social Security Administration	$73.83	$105.60	$7.50	$129.16
Transportation	$78.24	$89.44	$107.70	$487.85
Treasury	$55.45	$34.95	$16.19	$42.72
US Army Corps of Engineers	$0.00	$0.00	$138.60	$65.00
Veterans Affairs	$17.54	$23.02	$0.00	$28.58
Grand Total	**$2,653.21**	**$3,172.18**	**$1,316.81**	**$3,939.14**

All COOP including overlap with CT and CIP (in Millions)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$2.08	$2.08	$7.40	$2.36
Commerce	$2.61	$2.61	$0.00	$10.51
Education	$0.04	$0.04	$0.00	$0.04
Energy	$4.95	$4.03	$0.00	$1.15
EOP	$0.00	$0.20	$15.00	$5.00
EPA	$0.49	$0.58	$0.00	$0.58
Federal Communications Commission	$0.00	$0.00	$0.00	$1.00
FEMA	$1.23	$1.23	$0.00	$1.50
GSA	$0.96	$0.98	$0.00	$1.60
HHS	$12.11	$5.55	$0.00	$4.07
Interior	$3.50	$3.78	$0.00	$3.47
Justice	$4.19	$34.23	$8.00	$39.95
Labor	$3.02	$4.42	$0.00	$3.66
NASA	$4.42	$4.42	$0.00	$4.48
National Security	$100.00	$101.00	$514	$103.00
Nuclear Regulatory Commission	$1.00	$0.37	$0.79	$0.62
OPM	$1.19	$1.93	$0.00	$1.25
SEC	$1.86	$0.75	$0.00	$0.17
Small/Indep Agencies	$1.54	$2.50	$0.10	$1.97
Social Security Administration	$0.30	$0.51	$0.00	$0.20
State	$4.40	$4.50	$0.00	$0.00
Transportation	$9.42	$9.71	$0.80	$14.55
Treasury	$21.43	$27.21	$33.05	$38.60
US AID	$0.11	$0.18	$0.00	$0.18
Veterans Affairs	$0.96	$0.18	$0.00	$0.18
Grand Total	**$181.82**	**$212.98**	**$579.14**	**$240.09**

Part 5: Homeland Security Funding

This section provides information on the homeland security budget and the four initiative areas as outlined in the President's Budget by the Office of Homeland Security.

Mission One: Supporting First Responders

First responders-- firefighters, local law enforcement, rescue squads, ambulances, and emergency medical personnel-- are the first people on the scene of a terrorist incident. The President's Budget provides $3.5 billion to support first responders, a more than twelvefold increase over 2002. Recipients would use the funds to buy personal protective equipment, emergency medical equipment, biological and chemical detection equipment, communications, and other items that local first responders tell us they need. It would help first responders acquire the latest technology and training that can shave critical minutes or hours off of response time, but due to the cost may have been out of reach for many localities.

The funds will also be used to conduct more frequent regional terrorism drills and rehearsals, enabling first responders to work together and identify gaps in their responses. The funds would be used to upgrade emergency communications systems throughout the nation, enabling more first responders and their agencies to talk with one another in "real time." Finally, a portion of this funding will be dedicated to a new Citizen Corps that will be coordinated by the Federal Emergency Management Agency (FEMA) and be a key component of the USA Freedom Corps.

The role of first responders, who are largely under state or local control, serve as a reminder that our war on terrorism is a national, not a federal, effort. Under the proposed plan, first responders will have increased freedom to determine their own needs and how best to meet them. FEMA will work closely with state and local officials to ensure the program addresses their planning, training, and equipment needs. FEMA will also improve the federal government's coordination with state and local governments and reduce duplication within federal agencies.

Mission Two: Enhancing Our Defense Against Biological Attacks

The FY 2003 President's Budget requests $5.9 billion to enhance our defenses against bioterrorism, principally in the following four major areas:

- First, the President proposes spending $1.2 billion in 2003 to increase the capacity of state and local health delivery systems to respond to bioterrorism attacks. The largest share of this funding, $591 million, would be provided to hospitals for infrastructure improvements such as communications systems and decontamination facilities, comprehensive planning on a regional basis to maximize coordination and mutual aid, and training exercises that will help the public health and emergency response communities work together better. The budget also includes $210 million for states to assess their existing ability to respond to such attacks, and then strengthen their capacity to do so. An additional $200 million would increase state laboratory capacity and related systems to permit rapid collection and identification of potential biological agents.

- Second, the President's Budget includes an aggressive $2.4 billion R&D program to develop technologies that will strengthen our bioterrorism response capabilities in the mid- and long-term. $1.7 billion would flow to the National Institutes of Health to perform fundamental research leading to the development of vaccines, therapeutics, diagnostic tests, and reliable biological agent collection, rapid identification and monitoring technologies, and to create a safe and reliable anthrax vaccine. Another $420 million is proposed for the Department of Defense (DoD) to study the technology and tactics of bioterrorists and devise countermeasures to the use of biological agents as weapons. The budget also includes $100 million to improve security at the nation's biological research laboratories and $75 million for EPA to develop improved techniques and procedures to cope with future biological or chemical incidents.
- Third, the President's bioterrorism initiative includes $851 million to improve federal capabilities to respond to bioterrorist events. The National Pharmaceutical Stockpile will contain a sufficient amount of antibiotics to provide treatment for 20 million people for anthrax by the end of 2002. The budget includes $300 million to manage this stockpile, increase the supply of chemical antidotes, and conduct the proper planning and training to ensure that states can effectively receive and distribute stockpile allotments. It also includes $100 million to improve our ability to distribute and effectively use the nation's supply of smallpox vaccine and $99 million for the Food and Drug Administration to enhance the safety of the nation's food supply.
- Fourth, the budget proposes spending $392 million to strengthen our ability to detect and react quickly to a biological attack through improved communications. A key component of this ability is information management and exchange. The budget includes $202 million to create a national information management system that links emergency medical responders with public health officials, enables early warning information to be distributed quickly, and permits emergency medical care and public health care providers to share diagnostic and treatment information and facilities. The budget also includes $175 million to assist state and local public health providers as they begin to acquire the necessary hardware and assistance to access this information.

Mission Three: Securing Our Borders

Nearly a dozen federal agencies are charged with patrolling or inspecting along the border. The State Department issues visas. The Justice Department's Immigration and Naturalization Service (INS) inspects them. The Treasury Department's Customs Service checks any bags the visa-holder may bring with him. DoD and the National Guard patrol our skies. The Coast Guard, which reports to the Secretary of Transportation, patrols our seas. The Department of Agriculture regulates imports of food, the Commerce Department monitors imports of manufactured goods, the Food and Drug Administration polices imports of legal drugs, and the Drug Enforcement Administration tries to halt imports of illegal ones. The intelligence agencies and the new Transportation Security Administration have important roles as well.

The President's Budget requests $380 million to establish a reliable system to track the entry and exit of immigrants, particularly those who might pose a security threat to the United States. The new system will leverage advanced technology and construction funding to ensure

timely and secure flow of traffic. The Administration's goal is to complete implementation of this new, comprehensive initiative by the end of 2004.

Additional funds will make passports and other documents of North American nations more compatible with one another and more easily read by one another's computers. The government will also develop other identification techniques to halt illegal entrants and speed and smooth the way for lawful travelers and cargoes.

The President's Budget would more than double the number of Border Patrol agents and inspectors across the northern border. It supports deployment of force-multiplying equipment, including remotely operated infrared cameras to monitor isolated areas where illegal entry may have once occurred. The budget also provides resources to integrate once-separate information systems to ensure that timely, accurate, and complete enforcement data is available in the field.

Mission Four: Sharing Information and Using Technology to Secure the Homeland

The President's Budget proposes $722 million for improvements to information-sharing within the federal government and between the federal government and other jurisdictions. These improvements are often highly technical—and yet crucial for the successful protection of our society from terrorist attack. Technology investments will improve the performance of agencies in preparing for, detecting and responding to homeland security threats. So the federal government will:

- ensure that federal agencies with homeland security responsibilities have needed access to threat information;
- establish a process to provide for appropriately secure communications with state and local officials so they may receive homeland security information in a timely manner;
- ensure that crisis communications for federal, state, and local officials is reliable and secure; and;
- unify federal security and critical infrastructure protection initiatives, and make strong security a condition of funding for all federal investments in information-technology systems.

Part 6: Overseas Combating Terrorism

In October 2001, the President established the position of National Director and Deputy National Security Advisor for Combating Terrorism within the National Security Council staff. The Office of Combating Terrorism's (OCT) mission is to coordinate our campaign against global terrorism that includes military, diplomatic, law enforcement, intelligence, financial and strategic influence operations. These missions will be accomplished in a seamless fashion across all elements of US Government. Further, these efforts are designed to deter, detect, disrupt, and destroy terrorism and those who support them. Overseas combating terrorism comprises programs and activities from the Departments of State, Defense, Treasury, Energy, the Intelligence Community and many others in our war against terrorism.

As we focus our efforts to eliminate the terrorist scourge from the earth, we recognize that this massive undertaking cannot be accomplished without a global coalition. It will thus require efforts from every element of the USG including: conducting international engagement strategies to dismantle terrorist financing; enhanced diplomatic relations; training and assistance programs that support other nations efforts to combat terrorism; increased law enforcement capabilities; and the enhancing of intelligence and information gathering and sharing programs.

Since terrorist organizations take many forms, we must have the means available to preempt, disrupt, and deter activities and operations through diplomacy, military, law enforcement, and intelligence activities. The USG will continue its comprehensive efforts to improve our programs. For example, Treasury leads the USG efforts to disrupt the flow of resources into an organization, by penetrating and freezing the finances of these groups, working in concert with other law enforcement agencies and the Department of State. As we have witnessed recently, a significant number of persons and companies assets have been frozen due to their alleged associations with terrorist groups or organizations. The success of these and other programs in part is due to our international campaign to educate other countries to the problems caused by terrorist fundraising. Freezing terrorist's assets will ultimately disrupt the flow of materiel and persons and undermine their ability to conduct terrorist operations. Another important tool to increase the coalition's ability to fight terrorism is the training and assistance the USG provides to other nation's governments to combat terrorism. The law enforcement and intelligence communities play a crucial role in these efforts, Additionally, uncovering terrorist operations before they are conducted requires information sharing among allies. Timely and accurate intelligence is crucial as we unify our efforts to combat terrorism. The law enforcement and intelligence communities recognize this effort as transnational and are constantly strengthening these efforts in order to pay dividends in the future. Finally, many countries supporting our global efforts to eradicate terrorism lack the necessary infrastructure and means to accomplish this difficult task; the USG will support them through training and assistance, intelligence and information sharing and other critical programs.

Usama bin Laden and his al Qaeda network have stated repeatedly that they seek to acquire weapons of mass destruction and unfortunately there have been reports that these weapons and components are available to the highest bidder. When possible, we will move to interdict and prevent such a potentially catastrophic event from ever occurring. As we have

learned, however, terrorists have circumvented this process and engaged in acts of destruction. Thus the USG must take prudent measures to prepare for the consequences of a chemical, biological, radiological or nuclear attack at home or abroad. We must be prepared to respond wherever and whenever necessary to minimize the causalities caused by a WMD incident against the United States or our allies.

Part 7: Critical Infrastructure Protection

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$21.22	$49.01	$90.08	$12.78
Commerce	$27.94	$30.10	$10.25	$50.69
Energy	$48.41	$46.25	$0.00	$71.79
EOP	$0.16	$1.80	$123.00	$42.50
EPA	$2.15	$3.35	$121.01	$41.67
FEMA	$1.55	$1.47	$0.00	$1.47
GSA	$7.98	$13.48	$0.00	$19.58
HHS	$84.34	$96.75	$0.00	$87.19
Interior	$2.60	$3.79	$0.00	$3.84
Justice	$72.29	$80.41	$73.83	$153.87
Labor	$13.37	$16.58	$5.88	$23.80
NASA	$116.00	$112.00	$108.50	$133.00
National Science Foundation	$205.15	$209.69	$0.00	$203.73
National Security	$1,824.13	$2,254.49	$514.27	$2,343.38
OPM	$0.85	$0.00	$0.00	$0.00
Social Security Administration	$73.83	$105.60	$7.50	$129.16
Transportation	$78.24	$89.44	$107.70	$487.85
Treasury	$55.45	$34.95	$16.19	$42.72
US Army Corps of Engineers	$0.00	$0.00	$138.60	$65.00
Veterans Affairs	$17.54	$23.02	$0.00	$28.58
Grand Total	**$2,653.21**	**$3,172.18**	**$1,316.81**	**$3,942.60**

The government's programs for critical infrastructure protection (CIP), continuity of operations (COOP), security of government information, and technology assets are closely related and are complementary. In theory, the effective implementation of one program should also fulfill at least part of the requirements for one of the other programs. However, because each program has a different policy underpinning and the oversight authorities are different, they have evolved over time without a clear focus on their relationship to one another.

Presidential Decision Directive 63 established the Critical Infrastructure Protection program. While the definitions and general guidelines for CIP remain the same, Executive Order 13231 signed on October 16, 2001, focuses on information systems and the physical structures that house them, and establishes a new national level coordination board. The CIP program applies to both government and industry and is consequence or capabilities-based, rather than looking at the source of disruption. The CIP program is not threat based – the source of the disruption is less important than the understanding of what is most important to protect to maintain the availability of capabilities. Since CIP is not threat-based, it attempts to thwart a wide range of threats and not solely the terrorist threat. It includes only physical, information, and IT assets that are critical at the national level. The program emphasizes interrelationships, interdependencies, and interconnections within agencies, across government, between government and industry, and across industry. Much like Y2K, it requires planners to contemplate the consequences of losing an asset beyond their control, e.g., the loss of electrical power or telecommunications support for a critical IT system.

To qualify as a critical system:

- Incapacitation would require immediate or near-term restoration -- within 72 hours.
- Disruption would have a serious consequential impact on critical government operations and or society's quality of life.
- Outage would interrupt information flows or service provision essential to government operations or the public at large.

Examples of critical systems include:

- Industry -- public switched telephone network and electrical power grid.
- Government -- Air Traffic Control system.
- A government or industry payroll or inventory control system are not critical in this context.

For FY 2002, the total government-wide CIP investment was $3.2 billion. The FY 2003 request increases that total to $3.9 billion. Of that request, $2.3 billion focused on securing government owned assets primarily within the national security community. $XX million was reported for activities relating to securing critical industry sectors such as telecommunications, energy, banking and finance, and transportation. Over $870 million of the $3.9 billion was for research and development to support either government or industry CIP efforts.

Part 8: Continuity Of Operations (COOP)

Department/Agency	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture	$2.08	$2.08	$7.40	$2.36
Commerce	$2.61	$2.61	$0.00	$10.51
Education	$0.04	$0.04	$0.00	$0.04
Energy	$4.95	$4.03	$0.00	$1.15
EOP	$0.00	$0.20	$15.00	$5.00
EPA	$0.49	$0.58	$0.00	$0.58
Federal Communications Commission	$0.00	$0.00	$0.00	$1.00
FEMA	$1.23	$1.23	$0.00	$1.50
GSA	$0.96	$0.98	$0.00	$1.60
HHS	$12.11	$5.55	$0.00	$4.07
Interior	$3.50	$3.78	$0.00	$4.96
Justice	$4.19	$34.23	$8.00	$39.95
Labor	$3.02	$4.42	$0.00	$3.66
NASA	$4.42	$4.42	$0.00	$4.48
National Security	$100.61	$101.83	$587.00	$173.09
Nuclear Regulatory Commission	$1.00	$0.37	$0.79	$0.62
OPM	$1.19	$1.93	$0.00	$1.25
SEC	$1.86	$0.75	$0.00	$0.17
Small/Indep Agencies	$1.54	$2.50	$0.10	$1.97
Social Security Administration	$0.30	$0.51	$0.00	$0.20
State	$4.40	$4.50	$0.00	$0.00
Transportation	$9.42	$9.71	$0.80	$14.55
Treasury	$21.43	$27.21	$33.05	$38.60
US AID	$0.11	$0.18	$0.00	$0.18
Veterans Affairs	$0.96	$0.18	$0.00	$0.18
Grand Total	**$182.43**	**213.81**	**$652.14**	**$411.67**

COOP provides the third piece of the government's combating terrorism strategy. Recent emergencies and changes in the threat environment, including the potential for terrorist use of weapons of mass destruction, have emphasized the need for Federal agencies to maintain a capability to ensure the continuity of essential government functions. PDD-67 establishes federal COOP policy, ("Enduring Constitutional Government and Continuity of Government Operations"), as well as Executive Order 12656 and its antecedents. Stated most simply, that policy is to have in place a comprehensive and effective program to ensure continuity of essential Federal functions under all circumstances. It is important to note that improving COOP readiness does not necessarily require significant increases in budgetary resources. However, it is imperative that agencies produce a viable COOP program and set aside time for key personnel to plan and test procedures to ensure that agencies are ready to regroup and redeploy for any COOP-related outage, should the need occur.

No formal, centralized definitions exist for what constitutes an essential Federal function. Under the COOP program, agencies have the responsibility for defining what activities state their core operations. E.O. 12656 discusses functions critical to the continuity of government during a national security emergency. PDD-67 recommends departments and agencies consider their Federal Response Plan (FRP) and PDD-63 (Critical Infrastructure Protection) functions in

addition to their E.O. 12656 functions when identifying their "critical" or "essential" functions for COOP planning purposes.

The objectives of the COOP program include:

- Ensuring the continuous performance of agencies' essential functions/operations during an emergency;
- Protecting essential facilities, equipment, records, and other assets;
- Reducing or mitigating disruptions to operations;
- Reducing loss of life, minimizing damage and losses; and,
- Achieving a timely and orderly recovery from an emergency and resumption of full service to customers.

The genesis of the Federal COOP effort lies in the Cold War and efforts to ensure the survivability of Federal functions during a nuclear war. Unlike the Cold War efforts, however, modern COOP planning and maintaining COOP capability makes for "good business practice" for ensuring operations of critical functions during a wide range of emergency conditions, including localized acts of nature, accidents, technological emergencies, and military or terrorist attack-related incidents.

In the past, some agencies have argued for duplicating existing information technology infrastructures or purchasing/constructing buildings to serve as a COOP backup site, should the need arise, but duplicating all systems and infrastructure can be extremely expensive. With rare exceptions, COOP does not require spending scarce resources on redundant systems and infrastructure. FEMA's Federal Preparedness Circular (FPC) 67 guidance reinforces the need for economy by stating: "Maximum use should be made of existing field infrastructures and consideration should be given to other options, such as telecommuting locations, work-at-home, virtual offices, and joint or shared facilities." As in the private sector, Federal agencies can take advantage of recovery services offered by the private sector. For example, following the September 11th incidents, many of the businesses formerly housed in the World Trade Center buildings were able to quickly reestablish interim operations using office space in nearby New Jersey and computers provided under recovery services contracts with private vendors. Agencies can often take advantage of their own redundant infrastructure based in regional or district office locations.

During the 1990s planning for and maintaining COOP capabilities had been largely left to individual agencies to decide the extent of efforts needed. As such, the plans, standards, and interagency coordination, if any, were left entirely to the discretion of the agencies. With the establishment of Federal standards and procedures under PDD-67, the nature of the COOP effort has changed. In July 1999, FEMA issued Federal Preparedness Circular (FPC) 65, which detailed uniform requirements for agency COOP plans. These requirements included the following:

- Development of **plans and procedures**, including identification of all essential functions, establishment of appropriate delegations of authority, and formalization of appropriate orders of succession for key agency positions.

- Designation of appropriate **alternate facilities** to house and maintain key agency operations for up to 30 days.

- Development of **interoperable communications** to assure communications connectivity necessary for each agency's operations, both internal and external.

- Provisions to maintain **alternate database/vital records access**, should ordinary access procedures and processes be interrupted.

- Carrying out periodic **tests, training, and exercises** needed to assess and assure the readiness of agency COOP plans and contingency efforts.

In 1999, FEMA collected results of agency self-assessments. At that time, most agencies reported having developed plans for implementation of a COOP program. As a result of these assessments, FEMA advised agencies that they needed to make additional investments in plans, tests, training, and exercises.

In April 2001, FEMA issued additional COOP guidance to agencies in the forms of FPC 66, which detailed requirements for COOP tests, training, and exercises, and FPC 67, which provided guidance on acquisition of alternate COOP facilities. However, as the events of September 11th demonstrated, the guidance provided by FEMA was not yet fully implemented. During an assessment session recently held by FEMA, many agencies reported that plans and procedures were inadequate and/or had been inadequately tested and exercised, resulting in considerable confusion.

The Administration is giving a higher profile to COOP preparedness following the September 11th attacks and wants to ensure that Federal operations, particularly those located in the Washington, D.C. area, are prepared to transition readily to COOP operating procedures in the event of any unpredictable contingency. Special emphasis is being given to agency plans and succession for key agency positions.

In coming months, FEMA will also work with agencies to clarify the existing guidance and issue additional guidance covering readiness reporting, delegation of authorities and succession, and communications and vital records/data. In addition, FEMA is readying plans in FY 2002 to begin a new round of agency self-assessments.

For FY 2003, agencies are requesting $137.09 million (not including the National Security community) in funding for COOP activities; an increase of 22 percent over the FY 2002 enacted level. After September 11th, the National Security community assessed the risks, and began short term and long term changes to ensure continuity of operations under a variety of scenarios.

Part 9: Agency Roles and Funding

The national mission to combat terrorism involves every department across the Federal government as well as many independent agencies. All agencies have the responsibility to protect their own personnel, facilities, and operations. However, to counter all aspects of terrorism, we depend on agencies to contribute the unique expertise they have developed in the course of their traditional missions.

The fact that agencies have preexisting capabilities that can support the continually evolving terrorism mission has several implications for our national strategy. First, it stresses the primacy—and complexity—of interagency coordination. To effectively combat terrorism, the Federal government must marshal all the existing assets and capabilities and integrate them into a coherent whole.

Second, it places priority on resources that assist agencies in bridging any remaining gaps between their traditional activities and those requirements set forth in their counterterrorism mission. For example, the Environmental Protection Agency uses its combating terrorism funding to ensure that its hazardous materials expertise can be applied to a terrorist WMD incident. The President's Budget Request reflects this priority, avoiding pressures to create new capabilities from scratch when existing capabilities can be adapted to the need.

Third, the wide array of capabilities spread across the government that can strengthen our efforts to combat terrorism argues against attempting to consolidate the mission in a single agency. Such an attempt would either waste resources by duplicating capabilities that already exist elsewhere or worse, would degrade agency operations by breaking away capabilities intrinsic to other missions.

Finally, it means that investment in combating terrorism also serves to strengthen the ongoing efforts of agencies to pursue more traditional missions.

An explanation of the agency funding tables is provided below. Readers should refer to the "Scope and Methodology" section in the Introduction for more detail on the relationships between Combating Terrorism, Critical Infrastructure Protection, and Continuity of Operations.

Reading the Agency Funding Tables: An Example

Example: Agency X

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agency				
(1) Combating Terrorism	$2.0	$2.0	$2.0	$2.0
(2) Critical Infrastructure Protection	$3.0	$3.0	$3.0	$3.0
(3) Continuity of Operations	$5.0	$5.0	$5.0	$5.0
(4) **Unconventional Threats Total**	**$9.0**	**$9.0**	**$9.0**	**$9.0**

(1) The Combating Terrorism funding line includes totals for Defense against WMD. (In this example Agency X spends $2.0 million on combating terrorism activities.)

(2) The funding line for Critical Infrastructure Protection, as noted in the methodology section, is separate from Combating Terrorism but in some cases a small amount of the total may overlap. Therefore readers should not simply add Critical Infrastructure Protection and Combating Terrorism together. Instead, a total excluding overlap is provided in the Unconventional Threats Funding line. (In the example, Agency X spends $3 million to protect critical infrastructure.)

(3) The funding line for Continuity of Operations, as noted in the methodology section, is separate from Combating Terrorism but in some cases a small amount of the total may overlap. Therefore readers should not simply add Continuity of Operations and Combating Terrorism together. Instead, a total excluding overlap is provided in the Unconventional Threats Funding line. (In the example, Agency X spends $5 million for continuity of operations.)

(4) The Unconventional Threats funding line is the sum of Combating Terrorism, Critical Infrastructure Protection, and Continuity of Operations, ***excluding any overlap*** between Combating Terrorism, Critical Infrastructure Protection, and Continuity of Operations. (In the example, Agency X has $9 million for all unconventional threats, because $1 million overlaps between CbT, CIP, and COOP.)

Department of Agriculture

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Agriculture				
(1) Combating Terrorism	$335.98	$419.67	$317.60	$563.97
(2) Critical Infrastructure Protection	$31.22	$49.01	$90.08	$12.78
(3) Continuity of Operations	$$2.08	$2.08	$7.40	$2.36
(4) **Unconventional Threats Total**	**$339.87**	**$423.56**	**$328.00**	**$573.38**

The Department of Agriculture (USDA) responsibilities under combating terrorism include preventing the entry of and monitoring for infestations of plants and animals, infestations that in some instances, such as mad cow disease, could spread to humans; undertaking research in areas such as the ability to recognize and respond to infestations; and protecting critical infrastructure.

In both FY 2002 and FY 2003, USDA is increasing funding for research as well as to protect against actual infestations through exclusion programs and monitoring. Enhancements include:

- Coordination: USDA will develop an Automated Targeting System (ATS) to serve as an interface with Customs to identify and automatically segregate high-risk cargo of agricultural interest. ATS will also serve as the electronic interface between USDA's Food Safety and Inspection Service and the Food and Drug Administration to track animal products entering the United States.

- Enhanced Border Inspection: USDA will place additional inspectors and x-ray machines for people entering by land, as well as additional inspectors and canine teams for high risk cargo entry points along the border.

USDA has many facilities throughout the U.S. and the world. These facilities range in size and risk, including several laboratories that perform research on infectious diseases and food supply contamination. The base level of funding provides for maintenance of security infrastructure deemed necessary prior to September 11. However, improvements in security of personnel, laboratories, and IT infrastructure are necessary in light of these recent events.

Of the total of $139 million provided for Critical Infrastructure Protection (CIP) in FY 2002 through both the enacted bill and ERF, approximately $130 million was provided for ongoing work for one time upgrades and construction projects at the National Veterinary Sciences Laboratory at Ames, IA and the Plum Island Animal Disease Center near Greenport, N.Y. Additional funding for these in FY 2003 is not necessary for the timely completion of these projects. Therefore, the FY 2003 budget does not continue this level of funding.

Activities funded in the supplemental include guards, equipment and infrastructure improvements to improve the security of buildings and laboratories. Funding was also provided for security assessments of foreign Agriculture Research Service facilities, IT infrastructure protection, research and training in detection of biological and chemical agents, an integrated

emergency response and communications network to respond to food contamination, and relocating laboratory staff. Before September 11, many facilities, including laboratory facilities, were not considered to be high threat targets. In reviewing the security of the facilities it was determined that many were not adequately protected. USDA will continue reviewing the security needs of facilities and equipment. Continued funding is necessary in FY2003 for personnel, continued laboratory improvements and information technology security.

Department of Commerce

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Commerce				
(1) Combating Terrorism	$67.10	$67.22	$7.77	$104.68
(2) Critical Infrastructure Protection	$27.94	$30.10	$10.25	$50.69
(3) Continuity of Operations	$2.61	$2.61	$0	$10.51
(4) **Unconventional Threats Total**	**$97.65**	**$99.93**	**$18.02**	**$158.68**

Three Department of Commerce (DOC) bureaus contribute significantly to government efforts against unconventional threats. Commerce activities support homeland security by focusing on critical infrastructure protection and weapons of mass destruction. In addition, Commerce's Departmental Management is responsible for the physical security of Commerce facilities and continuity of operations plans.

Departmental Management (DM)

In the area of critical infrastructure, DM is responsible for ensuring DOC's compliance with OMB guidance and US laws for IT security. Increased funding is provided in 2003 to develop a comprehensive IT security program to identify as well as and correct IT weaknesses (e.g., hardware and software upgrades).

In the area of continuity of operations, the DM is responsible for ensuring that critical operations are carried out in the event of a crisis. Funding in 2003 is provided to improve and update the Department's continuity of operations plan.

DM coordinates physical security. Increased funding in 2003 provides for heightened security as a result of the events of September 11 and higher costs incurred in the 2002 Emergency Supplemental.

Bureau of Industry and Security (BIS)

In the area of critical infrastructure, BIS's Critical Infrastructure Assurance Office (CIAO) coordinates Federal agencies and the private sector to reduce the exposure to attack and ensure the security of interconnected National telecommunications, banking, energy, and transportation infrastructures. Increases in 2002 and 2003 will fund Project Matrix, which identifies assets, systems, and networks required by the federal government to perform functions essential to national security, an orderly economy, and the public health and safety of its citizens; outreach efforts on critical infrastructure assurance and protections issues to state and local governments

required by the October 16th Executive Order, "Critical Infrastructure Protection in the Information Age"; and the National Infrastructure Assurance Council, a CEO-level Presidential commission which will advise the Administration on ways to improve infrastructure protection.

In addition, the FY 2003 budget requests $20 million for a new program in the CIAO, *the Homeland Security Information Technology and Evaluation Program*. Working closely with the OHS and OMB, the office will develop initiatives to promote coordinated use of information sharing among Federal agencies as well as State and local governments.

In the area of weapons of mass destruction, BIS administers an export licensing and enforcement system that controls exports of dual-use goods, commodities, software, and technology for purposes of national security. In 2002 and 2003, BIS will permanently post attaches in Beijing, Shanghai, Russia, the United Arab Emirates, India, Singapore, and Egypt to prevent the illegal export or diversion of exports of items that could be used to make weapons of mass destruction. These nations can be used as trans-shipment points to terrorist states such as Iraq and North Korea. BIS also oversees business compliance with the Chemical Weapons Convention. This activity supports the bio-terrorism homeland security initiative.

In the area of industrial response to combat terrorism, BIS administers, pursuant to a delegation of authority under E.O. 12919, the priorities and allocations authority under Title I of the Defense Production Act (DPA) of 1950, as amended. This authority ensures the timely availability of industrial products, material, and services for national defense programs and it is currently facilitating industrial base support for Operation Enduring Freedom. Using this authority, BIS currently supports the Department of Transportation, the Federal Bureau of Investigation and the Department of State in ensuring priority access to products needed for combating terrorism and providing Critical Infrastructure Protection.

National Institute of Standards and Technology (NIST)
In the area of critical infrastructure, NIST develops standards, measurements, and testing methodologies needed to protect information technology. NIST R&D will focus on system survivability and cryptography in 2003.

National Oceanic and Atmospheric Administration (NOAA)
In the area of critical infrastructure, NOAA is responsible for the nation's weather forecasting systems and satellites. Preservation of communication capabilities and protection of data is necessary for maintaining critical operations. Increases in 2002 and 2003 will address vulnerabilities in systems critical to weather and satellite operations. Funding is also provided in 2003 to develop a NOAA-wide IT security program.

In the area of continuity of operations, NOAA is responsible for ensuring critical operations are maintained in crisis situations. Increases in 2003 will provide backup computing capabilities for the National Weather Service to ensure uninterrupted provision of weather information, such as hurricane and tornado warnings.

In the area of combating terrorism, NOAA provides physical security to protect government assets from terrorist activities. NOAA is also responsible for the licensing of commercially

operated remote sensing satellites, which could be used to obtain images and data that could threaten national security. Increases in 2003 provide for heightened security at NOAA's satellite control centers and additional support for monitoring and enforcement of commercial remote sensing licenses.

US Army Corps of Engineers

(BA in millions)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
US Army Corps of Engineers				
(1) Combating Terrorism	$0	$0	$138.60	$65.00
(2) Critical Infrastructure Protection	$0	$0	$138.6	$65.0
(3) Continuity of Operations	$0	$0	$0	$0
(4) **Unconventional Threats Total**	**$0**	**$0**	**$138.6**	**$65.0**

The Army Corps of Engineers Civil Works program is responsible for several aspects of the nation's water resources development, including operation and maintenance of inland waterways and their locks and dams, dredging of ports and harbors, and production of hydroelectric power.

Since the terrorist attacks on September 11, the Corps has been evaluating its most critical facilities (locks, dams, hydropower plants) to determine if additional security measures are required to adequately protect them from the new threat of terrorism. The Corps reservoirs provide flood control, hydropower, municipal and industrial water supply and in some cases agricultural water supply. Cities and industries throughout the Nation tap into these reservoirs to meet municipal and industrial water needs and as a source of potable water for nearly 10 million people in 115 cities. The Corps also operates 75 power plants, producing one fourth of the nation's hydroelectric power. These hydropower facilities are major critical assets, considering the vulnerability of foreign oil supplies to terrorist attacks. The Corps also maintains an inland navigation system that is essential to the movement of commerce and national defense needs.

The Corps is currently evaluating the potential risks at critical projects through risk assessment methodologies (RAM-D) similar to those used to protect U.S. nuclear weapons facilities. The process takes the analyst through a step-by-step examination of each facility's unique situation - its potential adversaries, vulnerabilities, consequences of attack and existing security measures - then provides cost-benefit analysis of possible security upgrades. The Corps has completed and approved 108 assessments to date and expects to approve the assessments for all 308 critical projects by July 2002. From the $139 million provided in the emergency supplemental appropriation, approximately $108 million is being used to fund FY 2002 requirements, to include 24-hour security guards, RAM-D training and assessments, and initiating design and construction of security measures at approximately 50 critical projects. The remaining $31 million will be carried into FY 2003 to continue funding hard security requirements at additional Corps critical projects.

The President's FY 2003 budget request to Congress contains $65 million to fund guards at Corps of Engineers critical projects only.

District of Columbia

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
District of Columbia				
(1) Combating Terrorism	$0	$12.65	$200.0	$15.0
(2) Critical Infrastructure Protection	$0	$0	$0	$0
(3) Continuity of Operations	$0	$0	$0	$0
(4) **Unconventional Threats Total**	**$0**	**$12.65**	**$200.0**	**$15.0**

The District of Columbia, the nation's capital city, is home to nearly 200,000 Federal employees. Prior to September 11, the District was reimbursed on an ad-hoc basis for providing heightened security at large national and international events, such as the President's Inauguration and the World Bank/International Monetary Fund meeting protests. On September 11, the District's emergency, fire, and police personnel responded both to the disaster site at the Pentagon and to threats within the city. The District government has also been heavily involved in responding to the anthrax crises following September 11. Moving forward, District government officials envision playing a more active role in coordinating the area's response to potential and actual terrorist threats.

FY 2002

The Emergency Supplemental Act provided $200 million for the District of Columbia and funds first responder equipment and training, including a first responder land-line and wireless communication system. The Act also funds improvements in emergency traffic management, increased facility security at District buildings and public schools, and increased security measures within the Washington Metropolitan Transit Area Authority subway and bus system. This $200 million supplemented $12.65 million provided by Congress in FY 2002 for emergency planning and response. The District is also eligible for a variety of counterterrorism grant program funding going to states and localities in FY 2002 and proposed in FY 2003, including grants offered through the Office of Domestic Preparedness in the Department of Justice, the Federal Emergency Management Agency, and the Department of Health and Human Services.

FY 2003

In acknowledgement of the District's unique role in responding to events directly related to the Federal government's presence in the District, the President's Budget proposes $15 million to establish a public safety fund. This fund will operate similarly to the Treasury counter-terrorism fund and will be made available for reimbursement of District public safety expenses. The release of funding will depend on the number and nature of events in FY 2003. The District will be reimbursed for public safety expenses related to the following:

- National Special Security Events (NSSEs) in Washington, DC
- Response activities following an immediate and specific terrorist threat or attack in Washington, DC or surrounding jurisdictions

Department of Energy

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Energy				
(1) Combating Terrorism	$946.92	$1,294.75	$310.70	$1,557.46
(2) Critical Infrastructure Protection	$48.41	$46.25	$0	$71.79
(3) Continuity of Operations	$4.95	$4.03	$0	$1.15
(4) **Unconventional Threats Total**	**$1,000.28**	**$1,345.03**	**$310.70**	**$1,630.40**

The Department of Energy's missions include national security, environmental quality, science and technology, and energy resources. DOE maintains the Nation's nuclear weapons stockpile and cleans up the legacy of contamination from nuclear material production. It sponsors a portfolio of basic and applied research and conducts research aimed at maintaining a secure, reliable, environmentally sustainable energy infrastructure. DOE's missions require unique facilities and material that are attractive targets for terrorism, especially weapons grade nuclear materials and components.

The Offices in DOE supporting the efforts against unconventional threats are the National Nuclear Security Administration, Office of Environmental Management, Office of Security and Emergency Operations, Office of Science, Office of Intelligence, and Power Marketing Administrations.

National Nuclear Security Administration

The National Nuclear Security Administration supports homeland security by:

- Safeguarding and securing the nuclear weapons complex and stored stockpile materials,
- Securing nuclear weapons assets while in transit,
- Researching and developing sensors to detect weapons of mass destruction,
- Providing for a Nuclear Incident Response Team.

The FY 2003 request for these activities totals $826 million, a $125 million increase over the FY 2002 base level. The supplemental included $149 million for these programs in FY 2002, including $18 million for accelerated deployment of BASIS, discussed below. [Note that other NNSA activities combat terrorism overseas].

NNSA's nonproliferation programs included in overseas combating terrorism:

- Securing and eliminating WMD and weapons-grade material in Russia and other states in the former Soviet Union before they fall into the hands of terrorists;
- Supporting programs to limit the production of weapons-grade material;
- Engaging scientists and others with expertise in producing weapons of mass destruction before they sell their expertise to terrorists; and
- Developing technology to detect and deter nuclear proliferation throughout the world.

The FY 2003 budget proposes increases for nonproliferation activities as well as R&D projects aimed at reducing the threat from all types of weapons of mass destruction. It includes:

- $233 million for the International Nuclear Materials Protection and Cooperation (NMPC) program to secure nuclear materials in the Former Soviet Union. Program activities include upgrading security at Russian nuclear weapons sites, securing and storing fissile materials that could be used to build weapons, and improving security at Russian borders.

- $196 million for International Security and Nuclear Safety programs aimed at limiting the production of weapons-usable fissile material, retrieving and securing radioactive spent nuclear fuel, engaging Russian scientists in non-weapon-related projects, and assisting Russia in downsizing its nuclear weapons complex.

$283 million for research and development programs to develop technologies needed to detect and deter nuclear proliferation abroad, and to detect and respond to chemical and biological attacks in the United States.

Other Department of Energy

The primary contribution of the Offices of Environmental Management and Security and Emergency Operations to homeland security are focused on safeguard and security activities at DOE sites funded by these programs. These activities protect DOE contractor-owned and -leased facilities at required levels based on risk and vulnerability assessments. DOE conducts these assessments using the design basis threat (DBT), which characterizes the level and capability of the threat to covered facilities. The terrorist adversary is the principle emphasis of the DBT. DOE's safeguards and security program based on these assessments ranges from access controls and routine security patrols to the deployment of armed security forces to protect nuclear materials, radioactive wastes, and classified information. Within the Office of Security and Emergency Operations, DOE maintains a small Technology Development Office that focuses on nuclear material control and accounting, physical security, information protection, and counterterrorism. The FY 2003 request for these DOE programs totals $371 million, a $35 million increase over the FY 2002 base, and includes $1.3 million for continuation of headquarters security measures and $1 million for structural enhancements at the Forrestal building.

While energy sector critical infrastructure protection responsibilities fall largely on the private sector, DOE's Office of Emergency Operations funds energy security and assurance activities including technical expertise in identifying critical components and system interdependencies and outreach activities with industry, state, and local governments to develop and implement plans to protect against and mitigate disruptions of the nation's energy infrastructure, including identifying and assessing vulnerabilities and risks. These activities include funding of the National Infrastructure Simulation and Analysis Center ($20 million in FY 2003), a collaborative effort between Los Alamos and Sandia National Laboratories to provide technical support to assess infrastructures and interdependencies.

The FY 2002 emergency supplemental provided $8.2 million for increased protective forces at nuclear material and radioactive waste processing and storage facilities in Washington State and South Carolina. The FY 2003 Environmental Management recommendation provides funding to continue these activities. The supplemental also included $3.5 million for increased security measures at DOE headquarters facilities and accelerated deployment of the civilian Biological Aerosol Sentry and Information System (BASIS), providing $18 million to NNSA and an additional $1 million to DOE outside NNSA. The FY 2003 request provides funding to expand the capability of BASIS to detect additional pathogens and support additional deployments.

Environmental Protection Agency

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
EPA				
(1) Combating Terrorism	$3.20	$9.45	$54.60	$92.00
(2) Critical Infrastructure Protection	$2.15	$3.35	$121.01	$41.67
(3) Continuity of Operations	$.49	$.58	$0	$.58
(4) **Unconventional Threats Total**	**$5.59**	**$12.48**	**$173.43**	**$133.48**

EPA responds to hazardous materials emergencies and manages and performs cleanup operations. EPA will provide drinking water vulnerability assessment assistance. Its expertise is in site monitoring, hazardous material contamination surveys, establishment of safe cleanup levels, conducting cleanup actions, and communicating technical information. EPA supports the FBI and FEMA in crisis management activities by providing criminal investigators, environmental hazard advice, air and water monitoring, protective action recommendations, and decontamination.

The FY 2002 Supplemental provided $173 million for EPA's homeland security activities to:

- Provide additional physical security,
- Assist local drinking water systems conduct vulnerability assessments,
- Develop State counter-terrorism coordinators to work in conjunction with EPA liaisons and local drinking water systems,
- Establish a West Coast Environmental Response Team to assist emergency responders with sampling, analysis, decontamination and disposal protocols and expand EPA's counter terrorism emergency response capabilities,
- Decontaminate buildings contaminated with anthrax.

EPA's FY 2003 request for homeland security increases by $121 million on a base of $12.48 million to:

- Provide additional physical security,
- Assist the local drinking water systems conduct vulnerability assessments,
- Develop State counter-terrorism coordinators to work in conjunction with EPA liaisons and local drinking water systems,
- Enhance EPA's counter terrorism program including continuation of the West Coast Environmental Response Team established in FY 2002 that assists emergency responders with sampling, analysis, decontamination and disposal protocols, and
- Develop decontamination techniques for buildings contaminated with biological, radiological or chemical agents.

EPA has not provided performance measures for these programs. Note that the above resources do not reflect $200 million for EPA's long established hazardous materials emergency response program. Under the Comprehensive Emergency Response and Liability Act (CERCLA), EPA

is given authority to respond to immediate or near-term hazardous material threats. Potentially, these resources can be used in response to terrorist events.

Executive Office of the President

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
EXOP				
(1) Combating Terrorism	$0	$0	$0	$0
(2) Critical Infrastructure Protection	$.16	$1.80	$123.00	$42.50
(3) Continuity of Operations	$0	$.2	$15.00	$5.00
(4) **Unconventional Threats Total**	**$.16**	**$2.00**	**$138**	**$47.50**

The Executive Office of the President (EOP) is comprised of a number of Offices, Councils and accounts that serve the President and the Presidency. Until September 11, 2001, funding for homeland security functions was limited to Continuity of Operations support. Subsequent to that date, extraordinary actions were taken to protect the President, Vice-President and nearly 2,000 men and women who serve the President. Nearly 600 personnel were relocated from the Eisenhower Executive Office Building to other facilities nearby. The Office of Homeland Security (OHS) was created in the White House Office, as was a Counterterrorism Directorate in the National Security Council. Identification of anthrax in the EOP's Remote Distribution Site (RDS) forced a lockdown of all mail and package handling, and a redesign and upgrade of the facility.

FY 2003 funding includes resources for the Office of Homeland Security, the Counterterrorism Directorate, information security and reliability, remodeling of the RDS, and funding for the Office of Administration (OA) to support recurring activities resulting from actions taken with emergency supplemental funding.

Federal Emergency Management Agency
(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
FEMA				
(1) Combating Terrorism	$28.67	$35.93	$35.0	$3,551.56
(2) Critical Infrastructure Protection	$1.55	$1.47	$0	$1.47
(3) Continuity of Operations	$1.23	$1.23	$0	$1.50
(4) **Unconventional Threats Total**	**$31.45**	**$38.63**	**$35.0**	**$3,554.53**

As the designated lead agency for terrorism consequence management, FEMA coordinates Federal disaster and emergency assistance programs and activities in support of State and local governments. In response to terrorist incidents, FEMA coordinates Federal consequence management activities using the structures of the interagency Federal Response Plan to provide the needed Federal resources to augment the State and local efforts. As in natural disasters, this response involves measures to protect public health and safety, restore essential government services, and provide emergency relief to governments, and individuals affected by the disaster or the consequences of a terrorist act. FEMA extensively coordinates with State/local 1st responders, including police, fire, and emergency medical organizations. FEMA has provided training for such organizations through FEMA's National Emergency Training Center in Emmitsburg, MD.

State and Local Terrorism Preparedness Assistance

On May 8, 2001, the President asked FEMA Director Allbaugh to establish an Office of National Preparedness (ONP) within FEMA to coordinate all Federal programs dealing with weapons of mass destruction consequence management. The President asked FEMA to work closely with (a) state and local governments to ensure their planning, training, and equipment needs are addressed; and (b) other Federal agencies to ensure that the Federal response to the threat from weapons of mass destruction is coordinated and cohesive. Since the September 11th attacks, this need has only increased.

To address these new national priorities, the 2003 Budget provides $3.6 billion for FEMA's terrorism-related programs. This includes funding for:

State and Local First Responders Initiative. The FY 2003 budget will establish a flexible first responder grant program to:

- Give the first responder community critically needed funds to purchase equipment, train their personnel, and plan.
- Provide states and localities with the flexibility they require to ensure that the funds are used in the local areas where they are needed most.
- Establish a consolidated, simple, and quick method for dispersing federal assistance to states and localities.

- Foster mutual aid across the nation so that the entire local, state, federal, and volunteer network can operate seamlessly together.

The proposal would also consolidate first responder equipment and training programs formerly in the Department of Justice's Office of Domestic Preparedness into the FEMA first responder program.

- Citizen Corps. As a part of the USA Freedom Corps initiative, FEMA will establish a network of volunteers to support emergency preparedness, creating opportunities for all Americans to participate in programs to make their homes, communities, states, and nation safer and stronger.

- Improving Information Technology. Includes funds for FEMA to help establish secure videoconferencing capability with states and to develop a one-stop portal containing information pertaining to disaster preparedness, response, and recovery.

- Office of National Preparedness. The budget requests $50 million for FEMA's Office of National Preparedness to perform liaison with States and localities on terrorism preparedness, as well as to administer the first responder grant program. FEMA has already completed work with each of the 50 states and territories to develop plans for terrorism preparedness training and equipment for chemical and biological threats in 2002.

General Services Administration

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
GSA				
(1) Combating Terrorism	$83.99	$114.19	$126.50	$325.73
(2) Critical Infrastructure Protection	$7.98	$13.48	$0	$19.58
(3) Continuity of Operations	$.96	$.98	$0	$1.60
(4) **Unconventional Threats Total**	**$92.93**	**$128.65**	**$126.50**	**$346.91**

GSA's role in combating terrorism arises from its management and oversight of Federal buildings and Federal real property. GSA works to provide a secure environment at Federal facilities that permits Federal agencies and the public to conduct business without fear of violence. In the supplemental, GSA received $126.5 million for the increased cost of guard service and other security enhancements at Federal buildings nationwide.

GSA's role in combating cyber terrorism and ensuring critical infrastructure protection arises from the Government Information Security Reform Act of 2000, which directs GSA to assist agencies in fulfilling their responsibilities to maintain procedures for detecting, reporting, and responding to computer security incidents. GSA plays a central role in a number of E-Gov initiatives.

Physical Security/Security for Federal Buildings --GSA is responsible for the security of its own facilities and personnel as well as the buildings it manages for other Federal agencies. GSA's security measures include protective law enforcement and security guards in and around Federal facilities, vulnerability and risk assessments, preventive and mitigation measures, and security system equipment, evaluations, and repairs.

Critical Infrastructure Protection (CIP) --GSA operates the Federal Computer Incident Response Center (FedCIRC), whose purpose it is to ensure that the Government has a central focal point for handling computer security related incidents, can withstand or quickly recover from attacks against its information systems, and has a centralized computer security information-sharing program. FedCIRC assists agencies in securing their information systems by receiving, correlating, and disseminating the indications of threats and vulnerabilities. FedCIRC analyzes intrusions into Federal systems and is looking at ways to automate the distribution of software patches to agency system administrators. In addition, funding is provided for the Federal Public Key Infrastructure Program, which is working to build a technology infrastructure that will enable the Federal Government to conduct business electronically, internally and with the public, through the use of digital (electronic) signatures. Approximately $0.5 M is provided for two studies that relate to establishing additional secure emergency government telecommunications networks. Up to $5 million in other GSA funds, including funds collected from other agencies will be made available as needed for one of these studies, a GovNET feasibility study.

Continuity of Operations (COOP) -- Presidential Decision Directive 67 assigned GSA the responsibility to ensure that Executive Branch departments and agencies have the tools needed to

comply with COOP directives and to conduct Government-wide COOP training. GSA is also responsible for developing and maintaining the official inventory of Continuity of Government (COG) Alternate Facilities for the Executive Branch. This inventory will allow the efficient identification and allocation of alternate COG facilities in response to emergencies. GSA must set standards and procedures for site searches and selection and ensure that this inventory is current at all time.

Department of Health and Human Services

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
HHS				
(1) Combating Terrorism	$304.9	$339.18	$2,637.91	$4,317.13
(2) Critical Infrastructure Protection	$84.34	$96.75	$0	$87.19
(3) Continuity of Operations	$12.11	$5.55	$0	$4.07
(4) **Unconventional Threats Total**	**$401.36**	**$441.47**	**$2,642.65**	**$4408.39**

Overview

HHS carries out bioterrorism-related activities through several agencies across the Department. The FY 2003 Budget for HHS increases funding for Bioterrorism by over $3.9 billion, or a 1,160 percent increase above the FY 2002 enacted level, excluding ERF funds. Even including the large investment made through the ERF, much of which was one-time funding, the FY 2003 Budget increases funding for Bioterrorism at HHS by $1.3 billion, or 45 percent.

Initiative Areas (as designated by OHS – increments compared to FY 2002 excluding ERF)

- State and Local Preparedness† - The Budget proposes spending $1.2 billion ($1.1 billion above FY 2002) to increase the capacity of state and local public health systems to prevent, identify and respond to a bioterrorist attack. The largest share of this, $591 million would be provided to hospitals for infrastructure improvements, planning and regional coordination, and training exercises. This also includes funding for increasing state laboratory capacity, creating state epidemiological teams, and for states to conduct assessments of their ability to respond to such an attack, and then strengthen their capacity to do so.

  † This total for State and Local is artificially low to avoid double counting activities in other Initiative Areas. The actual FY 2003 total for state and local is $1.6 billion, an increase of $1.5 billion over FY 2002.

- Research and Development – The Budget proposes an investment of $1.8 billion (more than $1.3 billion above FY 2002), $1.75 billion at NIH, $40 million at CDC and $50 million at FDA. This investment will produce research leading to the development of vaccines, therapeutics, diagnostic tests, reliable biological agent collection, identification and monitoring technologies, and the creation of a safer and more reliable anthrax vaccine.

- Communications and Surveillance – The Budget proposes $392 million ($350 million above FY 2002) in funding to strengthen our ability to detect and respond quickly to a biological attack through improved communications. This includes $202 million to create a national information management system that links emergency medical responders with the public health system. The Budget also includes $175 million to assist state and local public health systems to acquire the necessary hardware and assistance to access this information.

- Improved Federal Capabilities and Response – The Budget provides over $890 million to improve federal capabilities to respond to a bioterrorist event. This includes improvements

to the management and distribution of the National Pharmaceutical Stockpile and smallpox vaccine supply, and for the FDA to enhance the safety of the nation's food supply.

Department of the Interior
(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Interior				
(1) Combating Terrorism	$19.08	$13.98	$92.59	$101.71
(2) Critical Infrastructure Protection	$2.06	$3.79	$0	$3.84
(3) Continuity of Operations	$3.50	$3.78	$0	$4.96
(4) **Unconventional Threats Total**	**$25.18**	**$21.55**	**$92.59**	**$110.51**

The Department of the Interior plays an important role in the Federal government's efforts against unconventional threats, given the vast amount of acreage and infrastructure for which the Department is responsible, as well as its mission to both protect and provide access to the public's resources. That role includes protecting its critical infrastructure and other facilities, and national monuments as well as maintaining a capability to respond to incidents. The major components of Interior Homeland Security activities are related to physical security of the facilities on the Department of Interior's critical infrastructure list and continuity of operations at the Department's bureaus.

Office of the Secretary
Base funding in FY 2002 for Departmental Management (DM) provides the administration of physical security operational policies, procedures and programs at the Main Interior Building complex and Office of the Secretary personnel. DM received $2.2 million for equipment and physical security in the FY 2002 supplemental to secure the Main Interior Building. The FY 2003 recommendation includes funding to maintain heightened physical security with additional funding for security equipment and window safety improvements.

National Park Service
The National Park Service (NPS) is responsible for several national monuments and icons on the Department's National Critical Infrastructure List, including the statue of liberty and the Washington Monument. The base level includes law enforcement and physical security services to numerous park areas throughout the nation. One goal of the law enforcement program is to reduce the ability of groups or individuals to commit terrorist acts. This goal is achieved through physical design improvements and upgrades, monitoring of electronic equipment, intelligence sharing with other agencies, public information and education.

The FY 2003 recommendation maintains increased physical security from FY 2002 at key park sites and provides funding for construction to improve facility security at park sites on the National Mall. The FY 2002 supplemental included over $31 million to enhance United States Park Police and Park Service Law Enforcement preparedness for possible attacks against key national park sites. Funding was also provided for enhancement of communications systems, increased security equipment at the statue of liberty in New York and a small number of other national monuments, and structural improvements for Federal Hall, a historic building on Wall Street.

Bureau of Reclamation

The Bureau of Reclamation (BuRec) has 358 high-hazard and significant hazard dams and related facilities, and 58 hydroelectric plants, with hazard classification derived from a combination of site vulnerability and potential loss of life and property damage in the event of facility failure. A combination of physical security (guards), equipment, and infrastructure is necessary to establish and maintain the desired level of readiness. The base level provides for maintenance of existing security infrastructure, as well as a physical security presence at selected sites, particularly those that were previously identified as National Critical Infrastructure (for instance, Hoover Dam, Grand Coulee Dam, and Shasta Dam). The FY 2003 recommendation for these activities includes increased funding for guards (over $16 million) to maintain the heightened security level from FY 2002. Other increases include funding for renovations and improving IT security at National Critical Infrastructure sites.

Activities funded in the FY 2002 supplemental included guards, equipment, and short-term infrastructure improvements necessary to bring facilities up to their designated threat condition level. Prior to the attacks of September 11, 2001, many facilities had never been at a high threat level, and were not capable of getting to an advanced state of readiness when it was warranted. In addition to efforts to increase readiness, BuRec will use supplemental funds to reevaluate the risks to their facilities in light of the new threat environment; the results of these studies could be used to justify future requests for longer-term security improvements.

Department of Justice
(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Justice				
(1) Combating Terrorism	$4,621.52	$5,158.57	$2,202.65	$7,089.35
(2) Critical Infrastructure Protection	$72.29	$80.41	$73.83	$153.87
(3) Continuity of Operations	$4.19	$34.23	$8.0	$39.95
(4) **Unconventional Threats Total**	**$4,625.71**	**$5,192.80**	**$2,202.65**	**$7,112.16**

DOJ's most important role in combating terrorism is the prevention of terrorist acts. DOJ also is the lead agency responsible for investigating and prosecuting terrorist acts that do occur. In addition, DOJ plays a role in consequence management, through the training of State and local first responders to domestic terrorism incidents. DOJ's mission areas include:

- Prevention. The prevention of terrorist acts requires the collection and effective use of intelligence and counterintelligence to detect and to react to terrorist threats before they occur. In addition, prevention requires effective security at our borders by enforcing the laws regarding admission of foreign-born persons into the U.S. and identifying, apprehending, and deporting aliens who enter illegally.

- Crisis Response. For crisis management of a terrorist incident within the U.S., the FBI is the lead Federal agency. For terrorist acts overseas involving U.S. citizens or interests, DOJ, through the FBI, is responsible for the criminal investigation into the incident, with the objective to develop sufficient evidence to support criminal charges in Federal court against the involved terrorists. Once charges are brought, DOJ coordinates with all pertinent agencies in an effort to gain custody of the defendants for trial. Once custody of a defendant is acquired, Federal prosecutors pursue the criminal prosecution in a Federal district court.

- Consequence Management. DOJ 's Office of Justice Programs (OJP) has provided domestic preparedness training, equipment, exercises, and information to state and local first responders. The FY 2003 President's Budget proposes to transfer these activities to FEMA.

Justice received $5.2 billion to combat terrorism in FY 2002, plus an additional $2.2 billion from the emergency supplemental. The FY 2003 budget provides $2 billion in enhancements over the FY 2002 base, including funds to continue efforts begun under the supplemental. With the requested increases, total FY 2003 spending by DOJ would be $7.1 billion.

Most of the FY 2003 increases are for the FBI to improve its ability to detect, prevent, and investigate terrorist incidents, and for the INS to improve control of the borders and enhance its intelligence and systems capabilities.

- Federal Bureau of Investigation. The FBI received $184 million in the emergency supplemental to cover the extraordinary expenses associated with the investigation of the September 11 attacks (overtime, travel, supplies, etc.). Also in the 2002 supplemental, the

FBI received $601 million to enhance its investigative, intelligence, cybercrime, and forensic capabilities, and for IT infrastructure. In FY 2003, the President's Budget requests nearly $700 million in enhancements for information technology, computer security, cybercrime, additional investigators, and to continue efforts begun under the FY 2002 supplemental.

- Immigration and Naturalization Service (INS). INS received $72 million in the 2002 emergency supplemental to maintain a heightened state of operations and fund overtime, security, and other costs related to the September 11 attacks. Also in the 2002 supplemental, the INS received $477 million to increase its control of the nation's borders. Lastly, INS received $34 million for National Guard support along the borders. In FY 2003, the budget includes a $1.2 billion increase for INS. Among other things, this funding supports the Border Security Initiative that would implement a comprehensive entry/exit system, deploy force-multiplying equipment, and integrate now-separate information systems. In addition, the funding supports hiring nearly 1,200 inspectors and 570 Border Patrol agents.

- Office of Justice Programs (OJP): OJP received a total of $651 million in the emergency supplemental to expand the grants and training (+$400 million) provided by the Office for Domestic Preparedness (ODP), as well as $251 million in counterterrorism grants for specific states and localities. However, the Budget proposes to merge the functions and programs of ODP into FEMA in order to improve coordination of first responder assistance. Remaining OJP activities in FY 2003 include the continued development of counterterrorism technologies addressing the common needs of state and local public safety responders. Activities include: leading the development of a suite of first responder equipment standards, working to enhance the responder community's communications interoperability needs, developing explosives detection and remediation technologies, and working with the TSA in improving the security of the nation's aircraft and airports and with the Department of Energy to secure the nation's subways, and support for the USA Freedom Corps.

National Science Foundation
(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
NSF				
(1) Combating Terrorism	$7.00	$7.00	$.30	$32.60
(2) Critical Infrastructure Protection	$205.15	$209.69	$0	$203.73
(3) Continuity of Operations	$0	$0	$0	$0
(4) **Unconventional Threats Total**	**$212.15**	**$216.69**	**$.30**	**$236.33**

CIP Research and Development--National Science Foundation (NSF) activities included in homeland security focus mostly on research and development related to critical infrastructure protection. These activities include basic research on encryption technologies, energy processing systems, computing reliability, remediation robotics, and modeling and simulation. The FY 2003 request includes an estimated $48 million in NSF's Computer Information Science and Engineering Directorate and an estimated $143 million in NSF's Engineering Directorate. The request also includes $1 million for Disaster Response Research Teams that will conduct post-event research studies related to natural disasters or terrorists attacks.

Research to Combat Bioterrorism-- NSF funds research to combat bioterrorism in the areas of infectious diseases and microbial genome sequencing in cooperation with other Federal agencies. The FY 2003 request provides a $20 million increase for these two programs for a total of $27 million.

Cybercorp/Scholarships for Service--NSF funds for the Cybercorp/Scholarships for Service program that provides scholarships to graduate students studying information technology security in exchange for working for the Federal government after they complete their studies. The FY 2003 request provides $11 million for this program, the same as FY 2002.

Physical/IT Security--The FY 2003 request includes nearly $6 million for physical/IT security upgrades at NSF headquarters in Arlington, Virginia, and some of its Antarctic research facilities.

Department of Defense/National Security Community

(BA in millions)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
National Security				
(1) Combating Terrorism	$7,776.35	$8,707.20	$3,337.13	$14,259.13
(2) Critical Infrastructure Protection	$1,824.13	$2,254.49	$514.27	$2343.38
(3) Continuity of Operations				
(4) **Unconventional Threats Total**	**$**	**$**	**$**	**$**

The National Security Community (Department of Defense and the Intelligence Community) engages in activities to detect, prevent, deter, and respond to terrorists and terrorist attacks. The national security community provides physical security for its personnel, conducts R&D relating to combating terrorism, and provides assistance to state and local law enforcement.

The FY 2003 budget increases DoD's efforts to defend the U.S. Enhancements include:

- Physical Security: $4.6 billion. DoD must protect over 500 military installations and their associated personnel in the U.S. The events of September 11th have prompted DoD to increase the level of security at all its installations.

- Research and Development: $835 million. The FY 2003 budget increases R&D funding related to combating terrorism by 320 percent. R&D focused on combating terrorism will ultimately provide better protection against attacks, better detection technology that help prevent terrorist attacks, and increase our capability to strike at terrorist organizations. DoD's already robust research capability will increase with the increased funding. DoD's combating terrorism R&D funding also includes $420 million to support the Department's portion of OHS's bioterrorism initiative. These efforts will focus on methods to detect biological agents rapidly, study the technology and tactics of bioterrorists, and devise countermeasures to the use of biological agents as weapons.

- Combat Air Patrols (CAP): $1.3 billion. The largest single increase in FY 2003 is the inclusion of the CAP in the FY 2003 request. The CAP being flown in the U.S. began immediately following the events of September 11th (an initial $100 million supplemental funding jump started the CAP program in the U.S.), however funding for the CAP was not included in the FY 2002 appropriations. The CAP mission in FY 2003 shifts from a short-term activity in response to the attacks to a more permanent DoD homeland defense activity. Providing the funding for that activity in the actual appropriations for FY 2003 signals that shift from a response activity to a deterrence activity.

Examples of other efforts include:

- OHS Information Technology Initiative: $90 million. This includes $60 million to develop "wireless priority access" to ensure that first responders have cellular network priority in case of an emergency, and $30 million to create the Cyber Warning Intelligence Network

(CWIN), which would link the major players in government and the private sector to better manage future cyber crises.

- State and local programs: The budget also requests over $140 million for various programs to assist local and state authorities. DoD provides personnel and equipment assistance in the case of a terrorist attack, including the National Guard's Weapons of Mass Destruction (WMD) Civil Support Teams (CST) which provide personnel, expertise, and equipment to aid state and local authorities in the event of a WMD attack.

Additional funding in the other category includes training for civil support and emergency response activities, information technology and information security, purchasing chem-bio protective equipment, and domestic continuity of operations activities.

Overseas Combating Terrorism--The National Security community is directly involved in the offensive measures to fight terrorism abroad, before it reaches the U.S. The agencies involved in combating terrorism overseas engage in both offensive and protective activities to detect, prevent, deter, and respond to terrorists and terrorist attacks.

The National Security community has the largest role in the fight against terrorism abroad even excluding DoD's actual war efforts. The significant number of DoD installations and personnel overseas requires substantial funding to protect both the personnel and the installations. Together the Department of Defense and the intelligence community plan, oversee, and execute the offensive activities that prevent terrorists from reaching the U.S. and eliminate their safe havens. The FY 2003 budget requests:

- Physical security to protect U.S personnel and installations overseas.

- Funding for DoD and intelligence community efforts aimed at attacking terrorist organizations overseas and preventing them from successfully attacking the U.S. at home and U.S. interests abroad. Further details can be provided under separate cover (classified).

Nuclear Regulatory Commission

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
NRC				
(1) Combating Terrorism	$4.85	$4.76	$35.21	$33.79
(2) Critical Infrastructure Protection	$0	$0	$0	$0
(3) Continuity of Operations	$1.0	$.37	$.79	$.62
(4) **Unconventional Threats Total**	**$5.85**	**$5.13**	**$36.0**	**$34.41**

Summary

The U.S. Nuclear Regulatory Commission (NRC) has created extensive requirements and standards for physical security that licensees must maintain. The NRC is not directly responsible for guarding non-Federal nuclear facilities against radiological sabotage and theft. NRC requires facilities to maintain an integrated security program, including a highly trained guard force, electronic alarm systems, fences and barriers, TV monitors, communications systems, access control systems, employee background checks, periodic equipment testing, and contingency planning. The requirements are based on the concept of the Design Basis Threat (DBT); that is, the threat against which the facilities must be capable of defending. Licensees are expressly not required to protect against attacks by an enemy of the United States. NRC rules assume that the national defense establishment will protect against and respond to such threats.

Background

The NRC regulates civilian nuclear facilities and materials to ensure adequate protection of the public health and safety, to promote the common defense and security, and to protect the environment. The NRC=s role in combating terrorism revolves primarily around ensuring the protection of NRC-licensed facilities and materials against both radiological sabotage and the theft or diversion of special nuclear material. Radiological sabotage means a deliberate act against a nuclear facility or interference with the transport of nuclear material, which could directly or indirectly endanger the public health and safety by exposure to radiation. Theft and diversion includes any activities directed at acquiring nuclear material to produce an improvised nuclear device or a radiological dispersal device or to commit other malevolent acts involving the theft of special nuclear material.

The NRC has Lead Federal Agency responsibilities in responding to emergencies involving facilities and materials licensed by the NRC or Agreement States. In addition, the NRC serves as the primary Federal source of technical information regarding onsite status and offsite radiological conditions, and ensures development of coordinated Federal protective action assessments for use by State and local authorities. The NRC has a long-standing Memoranda of Understanding with the FBI for contingency response planning, coordination, and cooperation in dealing with threats or acts of sabotage or theft at NRC-licensed facilities; with FEMA for cooperation in radiological emergency response planning; and with DOE for collecting radiation measurements and forecasting the migration of atmospheric plumes of radioactive contamination.

Budget

The Nuclear Regulatory Commission's (NRC) base budget for national security activities related to unconventional threats is approximately $5 million for FY 2002 and FY 2003. The FY 2002 supplemental of $36 million and the FY 2003 additional budget request of $29 million will be used for:

- Re-analyzing our threat assessment framework and design basis threat, which are used to design safeguards to protect against acts of radiological sabotage and to prevent the theft of special nuclear material.
- Re-analyzing the vulnerabilities and physical protection requirements for NRC licensed facilities and for radioactive material in transit.
- Re-analyzing and improving access authorization processes at licensee facilities.
- Strengthening our emergency preparedness and response capabilities and better integrating security and emergency preparedness planning.
- Strengthening our internal infrastructure and communications capabilities.

United States Postal Service (USPS)

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
USPS				
(1) Combating Terrorism	$	$0	$675.00	$0
(2) Critical Infrastructure Protection	$0	$0	$0	$0
(3) Continuity of Operations	$0	$0	$0	$0
(4) **Unconventional Threats Total**	**$0**	**$0**	**$675.00**	**$0**

* There is no additional funding for the USPS included in the FY 2003 Budget.

In October 2001, the Postal Service requested and received $175 million from the Emergency Response Fund. The $175 million included the following:

Irradiation Equipment for Mail: Covers the purchase of equipment and services used to irradiate mail. USPS already has contracted for several E-Beam irradiation units and for off-site services.

Employee Personal Protective Equipment: Nitrile gloves, masks, antimicrobial towels, and other protective items.

On-Site First Response Environmental Testing Kits: Covers costs of test equipment, systems, and contract services to evaluate the condition of sites for possible contamination as well as specific downstream sites and random sites throughout the country.

Site Clean Up: Covers the cost of protective safety and health measures and decontamination activities where localized building or equipment contamination is found.

Nationwide Mailing, Messaging, and Communications: Reimburses USPS for the alert mailing the week of 10/22 and provides for miscellaneous other materials for off-site command centers.

Medical Costs: For antibiotics, nasal and other testing, transportation of employees, and miscellaneous related expenses.

In the Emergency Supplemental Act of 2002 (P.L. 107-117), Congress appropriated an additional $500 million to the Postal Service to protect postal employees and postal customers from exposure to biohazardous material, sanitize and screen the mail, and replace or repair Postal Service facilities destroyed or damaged in New York City as a result of the September 11, 2001, terrorist attacks.

Department of State

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
State				
(1) Combating Terrorism	$1,599.37	$1,775.56	$152.70	$2,279.50
(2) Critical Infrastructure Protection	$0	$0	$0	$0
(3) Continuity of Operations	$4.40	$4.50	$0	$0
(4) **Unconventional Threats Total**	**$1,603.77**	**$1,780.06**	**$152.70**	**$2,279.50**

The Department of State's homeland security activities include providing for security at its domestic facilities and for visa programs that keep threatening people out of the United States. The majority of the State Department and USAID overseas combating terrorism funding goes to their responsibilities for the security of their numerous facilities overseas and the safety of their overseas personnel and providing response capabilities in the case of an attack. They also provide assistance and training to foreign governments in their efforts to combat terrorism.

The 2003 Budget includes $643 million for processing Machine Readable Visas (MRV) at US embassies around the globe to maintain the security of our borders, which will be offset by MRV user fee collections. These visas provide increased border security control through the use of information technology. MRVs currently include digitized photographs and personal information related to the traveler, however, they have the capability to encode other personal details, which can then be read electronically and relayed to relevant federal agencies to be compared to broader database information.

The 2003 Budget also provides for domestic security enhancements for the Department of State and International Assistance Programs. The events of the past year demonstrate that the State Department must strengthen its domestic security posture if it is going to be able to support the worldwide security program essential to our diplomatic mission around the world.

The 2003 Budget provides over $1 billion for overseas embassy security, as well as counter-terrorism assistance and training for other countries cooperating with the United States in the global fight against terrorism. The request also includes $52 million to establish the Center for Antiterrorism and Security Training, as part of an anti-terrorism assistance, training and equipment initiative to help other countries in the global effort to combat terrorism. Once operational, the CAST will train 7,500 American and coalition partners' law enforcement personnel annually.

The FY 2003 Budget Increases funding for the State Department's Anti-Terrorism Assistance and Terrorist Interdiction Programs by $27 million to $69 million (64 percent over base FY 2002 Enacted) to improve other countries' ability to aid in the global effort to fight terrorism. The Terrorist Interdiction Program is a multi-pronged border security program designed to assist selected vulnerable countries in stopping terrorists from crossing their borders or using their territory as transit points or staging areas for attacks.

Department of Transportation
(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Transportation				
(1) Combating Terrorism	$2,448.17	$4,120.43	$1,280.65	$7,281.77
(2) Critical Infrastructure Protection	$78.24	$89.44	$107.70	$487.85
(3) Continuity of Operations	$9.42	$9.71	$.8	$14.55
(4) **Unconventional Threats Total**	**$2,535.95**	**$4,219.70**	**$1,389.15**	**$7,784.17**

Coast Guard

The Coast Guard performs multiple missions in U.S. and international waters: search-and-rescue, navigational assistance, oil spill prevention and response, ice-breaking, drug and migrant interdiction, enforcement of fisheries and vessel safety laws, and defense readiness. The Coast Guard has 42,000 (36,000 military) employees and a $10 billion inventory of vessels, aircraft, and shore facilities.

Domestically, the Coast Guard has broad authority in the nation's ports as Captain of the Port. To date, that function has primarily involved enforcing port safety regulations (e.g., inspecting cargo tankers for safety compliance). Its port security function was generally limited to deploying port security units abroad in support of national security missions (e.g., securing ports in the Mid-East to ensure safe arrivals and departures of American transport and supply ships during the Gulf War). After the events of September 11, Coast Guard mounted a significant response to threats to homeland security and redeployed most of its resources to increase security at the nation's ports. To accommodate this surge of port security operations, the Coast Guard has redeployed approximately $1 billion in FY 2002 resources from other missions and 2,700 reservists have been called up to augment regular forces. The goal has been to establish near shore and port domain awareness, and provide an offshore protective force gathering intelligence and interdicting suspicious vessels prior to reaching U.S. shores.

As part of the Emergency Response Fund, six months of supplemental funding has been provided ($209 million) to support the surge in operations and call-up of reservists. The recommendation funds additional Coast Guard active personnel who would replace the 2,700 reservists, port vulnerability assessments at the nations most critical ports, active duty port security response teams dedicated to responding to possible security threats, four additional Maritime Safety and Security Teams (MSST), and intelligence system upgrades. In addition, we recommend providing $500 million for the Deepwater Project to begin recapitalizing its aging ships, aircraft, and related systems.

The recommendation will allow the Coast Guard the resources to integrate the expanded port security mission, return the majority of its resources back to other ongoing missions, and begin recapitalizing its ships, aircraft, and related systems to improve operational effectiveness across all missions.

Key performance measures for the port security mission are currently under development. In all likelihood, they will need to be a mix of input, output, and outcome measures since many of the outcomes in this area are difficult to measure. For example, the number of terrorist attacks avoided in the nation's ports or the confidence level the American public has in the transportation system's security is difficult, if not impossible, to accurately measure.

Transportation Security Administration

The Aviation and Transportation Security Act established the Transportation Security Administration (TSA) in November 2001. This agency will oversee all transportation security matters, and will have direct control over the security activities of all modes of transportation except the Coast Guard. Principally, TSA's jurisdiction will be over aviation security.

Prior to the establishment of the TSA, the Federal Aviation Administration (FAA) was performing aviation security functions. These functions, to be built into TSA base funding, includes $150 million for operational activities, $100 million for airport screening equipment acquisition and implementation, and $50 million in security equipment research, for a total of $300 million in funding. These activities represent a small fraction of those that the new TSA must undertake.

Emergency supplemental funding provided a down payment on long-term TSA funding needs. FAA received $1,055 million in emergency funding for aviation security. Of this level, $466 million is being used for the Federal Air Marshals (FAMs) program, including utilization of multi-agency law enforcement staff in the short term and the hiring of an army of permanent staff. In addition, $100 million was provided to strengthen airline cockpit security. Most of the remainder strengthens security on the ground, including $196 million to accelerate screening equipment purchases and $53 million for airport security personnel, such as bomb-sniffing dog teams, and $175 million for facility security improvement grants to airports. Finally, the TSA received a separate $1,250 billion in appropriated passenger and air carrier fees to gear up this new agency to take over airline aviation security functions, such as passenger and baggage screening.

The FY 2003 Budget provides $4.8 billion to total budgetary resources for the TSA, with $2.2 billion being provided from passenger and air carrier fees. Details on how this funding will be allocated among specific program activities are still under review.

Department of the Treasury

(BA in millions and tenths)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Treasury				
(1) Combating Terrorism	$1,730.77	$2,094.79	$569.27	$2,828.37
(2) Critical Infrastructure Protection	$55.45	$34.95	$16.19	$42.72
(3) Continuity of Operations	$21.43	$27.21	$33.05	$38.60
(4) **Unconventional Threats Total**	**$1,786.38**	**$2,137.90**	**$603.66**	**$2,888.75**

Major Component Summary. Treasury, because of its unique responsibilities in financial investigations (Office of Foreign Assets Control, Financial Crimes Enforcement Network, IRS Criminal Investigative Division, and US Secret Service), controlling our Nation's borders (US Customs Service), protecting the President and ensuring security at major special events (US Secret Service), training law enforcement personnel (Federal Law Enforcement Training Center), and investigating arson, explosives and firearms incidents (Bureau of Alcohol, Tobacco and Firearms), is a critical component in the government-wide effort to combat terrorism.

FY 2002 and FY 2003 Recommendations: Treasury received over $600 million targeted for homeland security activities in FY 2002 (supplemental funding). Enhancements that support homeland security include increases in the agent workforce, taxpayer database protection, facilities security, northern border protection and expansion of training capacity. Highlights of specific enhancements include:

- $385 million for the Customs Service to support hundreds of additional personnel and inspection equipment at our ports of entry;
- $23.6 million for over 200 new Secret Service special agents and uniformed officers;
- $36.7 million for the US Secret Service to provide for the establishment of additional protective details for persons not currently receiving such protection and to sustain heightened security in the White House complex;
- $12 million for additional agents for ATF, IRS-Criminal Investigations Division, and Secret Service to participate in Joint Terrorism Taskforces;
- $21.4 million for Customs air support;
- $12.6 million to enhance ATF's ability to train explosive detecting canines;
- $13.5 million for taxpayer data protection; $31.5 million to support law enforcement training at FLETC;
- $9.4 million to establish the Air Stabilization Board;

The FY 2003 budget requests $750 million or 35 percent above the FY 2002 enacted base funding. The FY 2003 budget supports the follow-on costs associated with the enhancements from the ERF. Specifically, the FY 2003 budget includes:

- $313.4 million for follow-on costs from the ERF; including $13.1 million to support second year costs of hiring additional agents for Joint Terrorism Task Forces (JTTFs) and additional agent canine handlers to enhance ATF's canine training facility, and over $200 million for

the Customs Service to support over 500 new FTE at the northern border, southwest border, and maritime ports.

- Over $150 million for the Customs Service to fund additional personnel at both the northern and southern borders, inspection equipment for all ports of entry, infrastructure improvements along the northern border, and additional inspectors and agents in the seaports.

- $40 million for the Treasury Counter-terrorism Fund. (The budget also expands the eligibility so other Federal agencies can be reimbursed when the US Secret Service seeks their additional security support for National Special Security Events.)

- $21.7 million for Office of Foreign Asset Control, a $3 million increase for additional intelligence and analytical resources to assist OFAC in freezing terrorist assets.

U.S. Agency for International Development

Dollars in Millions	*FY00 Actual*	*FY01 Enacted*	*ERF*	*FY02 Request*
USAID				
(1) Combating Terrorism	$13.0	$18.04	$14.40	$95.70
(2) Critical Infrastructure Protection	$0	$0	$0	$0
(3) Continuity of Operations	$.11	$.18	$0	$.18
(4) **Unconventional Threats Total**	**$13.11**	**$18.22**	**$14.40**	**$95.88**

Roles and Missions

The U.S. Agency for International Development (USAID) responsible for protecting its own personnel and facilities from terrorist attacks. At 61 of its 94 locations overseas, the USAID office building is situated separate from and outside the security umbrella of the U.S. Embassy compound, requiring USAID to provide security for its own facilities.

In addition, USAID plays a key role in consequence management of WMD incidents overseas. The Office of Foreign Disaster Assistance (OFDA) has the responsibility to coordinate the U.S. Government's humanitarian response to natural and man-made disasters and complex humanitarian emergencies overseas. The mission of OFDA is to save lives, reduce economic suffering, and alleviate or mitigate the economic impacts of a disaster or emergency. OFDA can also leverage the capabilities of the local and international organizations with which it has long-standing relationships to rapidly respond to a WMD incident.

Finally, based on its extensive work with non-governmental organizations (NGOs), USAID is an important part of interagency efforts to counter terrorist infiltration or other use of NGOs.

Activities

Physical Security—USAID has developed a strategic plan for overseas physical security needs. The plan includes the development of physical security policies governing the protection of USAID facilities, employees, and dependents both at home and abroad against the threats posed by international terrorism. USAID is responsible for implementing these physical security policies, which outline requirements for office building physical security, communications systems, armored vehicles, and protective services for the USAID Administrator.

WMD Consequence Management—OFDA is prepared to assist overseas victims of WMD incidents. For example, USAID provided emergency search and rescue teams and relief supplies and treatment in response to the bombings of two U.S. embassies in Africa.

Through interagency agreements, OFDA has access to a multitude of technical experts in the areas of WMD preparedness and training. These partnerships, including ones with the Centers for Disease Control and Prevention and with the Environmental Protection Agency, allow OFDA to deploy a technical assessment team that can assess health effects and support medical

management of a contaminated population and provide recommendations for response requirements.

OFDA maintains stockpiles worldwide of consequence management equipment and supplies designed to support affected populations. OFDA has augmented some of these stockpiles in strategic locations in preparation for a WMD event. In addition, OFDA maintains a consequence management technical cache for its survey and assessment team. OFDA partners with the Georgia National Guard for field testing, maintenance, and logistical support for this equipment.

OFDA has held over 10 courses in the last 3 years and has trained over 200 people from OFDA, other Federal agencies, and non-governmental community in WMD consequence management.

Interagency Antiterrorism Policy Development—USAID is an active member of a National Security Council-directed interagency group responsible for designing policies to counter the unprecedented threat of international terrorists using unwitting (or in some cases witting) non-governmental organizations to further their cause. Of specific interest to USAID are those NGOs receiving grants from and those who coordinate assistance activities with USAID.

Funding

The fluctuation since FY 2000 is due to variation in USAID's relocation expenses to move to more secure temporary facilities or to co-locate the USAID mission with the U.S. Embassy. Over time, most USAID facilities will be co-located so that the U.S. government can provide security for overseas personnel more efficiently and effectively. In FY 2002, over $8 million is requested to complete the relocations and other security enhancements.

Coordination

OFDA participates in planning and interagency training activities in conjunction with State and Defense. OFDA is also part of the State Department-led Federal Emergency Support Team (FEST). In the overseas environment, USAID is an active participant and fully coordinates with the Department of State and numerous other agencies on anti-terrorism-related policies and actions. This coordination is evidenced in its participation in the Inter-Agency Working Group on links between terrorism and NGOs, and its participation in the State Department's Overseas Security Policy Working Board. USAID also routinely receives information from a wide variety of sources within the Executive Branch to assist in assessing terrorism-related threats to its facilities.

In the domestic arena, USAID has developed relationships with other Federal agencies in the exercise of the role as lead tenant within the Ronald Reagan Building. In particular, USAID established strong links to the Federal Bureau of Investigation, the District of Columbia Police Special Operations unit, and the Federal Protective Service.

Other Agencies
(BA in millions)

Dollars in Millions	*FY01 Actual*	*FY02 Enacted*	*ERF*	*FY03 Request*
Other Agencies				
(1) Combating Terrorism	$2.21	$53.19	$32.74	$206.96
(2) Critical Infrastructure Protection	$105.59	$145.2	$13.38	$181.54
(3) Continuity of Operations	$8.91	$10.33	$.10	$8.47
(4) **Unconventional Threats Total**	**$115.99**	**$207.66**	**$38.72**	**$396.26**

- The FY 2003 Budget provides $83 million for **Department of Veterans Affairs** (VA). Funding supports physical and IT security, as well as continuity of operations capabilities. VA also works with HHS and other agencies to support disaster medical response capacity. VA received $2 million in supplemental funding for vulnerability assessments.

- Under the Homeland Security information sharing initiative, $7 million is requested in FY 2003 for the **National Archives and Records Administration** to train personnel at the state and local level in the proper use and handling of classified and sensitive but unclassified homeland security information. Funding will also be used to facilitate security clearances for appropriate individuals at the state and local level, and to ensure that Federal agencies have the necessary classification authority for homeland security information.

- **The Social Security Administration** (SSA) funding assures that SSA's critical systems are not compromised by any outside physical threat, and it also provides protection for SSA employees, customers, and physical infrastructure.

Terrorism/WMD Funding by Bureau

$ in Millions

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Agriculture	**$335.98**	**$419.67**	**$317.60**	**$563.97**
Agricultural Research Service	$48.47	$80.78	$113.00	$45.65
Animal and Plant Health Inspection	$280.83	$332.50	$119.08	$477.68
DA	$6.68	$6.39	$0.00	$8.89
Food Safety and Inspection Service	$0.00	$0.00	$15.00	$0.00
Forest Service	$0.00	$0.00	$0.00	$3.50
Office of Inspector General	$0.00	$0.00	$0.00	$0.00
Office of the Secretary	$0.00	$0.00	$70.52	$28.25
Commerce	**$67.10**	**$67.22**	**$7.77**	**$104.68**
Bureau of Industry and Security	$63.70	$55.02	$0.76	$88.84
Departmental Management	$0.00	$2.50	$4.78	$12.44
International Trade Administration	$0.00	$0.00	$1.00	$0.00

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
NIST	$3.40	$9.70	$1.23	$3.40
CNCS	**$0.00**	**$29.00**	**$0.00**	**$118.00**
CNCS	$0.00	$29.00	$0.00	$118.00
District of Columbia	**$0.00**	**$12.65**	**$200.00**	**$15.00**
District of Columbia	$0.00	$12.65	$200.00	$15.00
Energy	**$946.92**	**$1,294.75**	**$310.70**	**$1,557.46**
Assistant Secretary for EM	$249.40	$242.83	$8.20	$248.43
Bonneville Power Administration	$2.10	$2.50	$0.00	$2.50
FERC	$1.00	$1.60	$0.00	$1.60
NNSA Deputy Admin. for Defense	$647.14	$1,001.10	$299.00	$1,254.50
Office of Intelligence	$2.00	$2.00	$0.00	$2.00
Office of Security & Emergency	$45.28	$44.72	$3.50	$48.43
EPA	**$3.20**	**$9.45**	**$54.60**	**$92.00**
Office of Air and Radiation	$0.00	$0.00	$3.90	$0.00
Office of Enforcement and Compliance	$0.00	$3.46	$7.00	$3.80

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Office of Prevention, Pesticides, and	$0.00	$0.00	$3.20	$0.00
Office of Research and Development	$0.00	$2.80	$1.50	$75.00
Office of Solid Waste and Emergency	$3.20	$3.19	$39.00	$13.20
FEMA	**$28.67**	**$35.93**	**$35.00**	**$3,551.56**
EMPA	$17.60	$17.05	$0.00	$3,500.77
Multiple Accounts	$10.14	$12.64	$10.00	$15.72
Preparedness, Training, and Exercises	$0.93	$6.24	$25.00	$34.99
S&E	$0.00	$0.00	$0.00	$0.08
GSA	**$83.99**	**$114.19**	**$126.50**	**$325.73**
Public Buildings Service, Federal	$83.99	$114.19	$126.50	$325.73
HHS	**$304.90**	**$339.18**	**$2,637.90**	**$4,317.13**
Centers for Disease Control and	$180.99	$181.92	$2,116.00	$1,636.74
Food and Drug Administration	$8.21	$6.77	$151.10	$159.05
Health Resources and Services	$0.00	$0.00	$135.00	$618.20
National Institutes of Health	$52.78	$94.46	$180.00	$1,747.90
Office of the Secretary	$0.00	$0.00	$0.00	$5.00

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Office of the Secretary, OEP	$32.97	$51.38	$19.80	$107.24
Office of the Secretary, OPHP	$29.97	$4.64	$36.00	$33.00
Substance Abuse & Mental Health	$0.00	$0.00	$0.00	$10.00
HUD	**$1.97**	**$1.97**	**$0.00**	**$2.72**
Departmental Enforcement Center	$1.97	$1.97	$0.00	$2.72
Interior	**$19.08**	**$13.98**	**$92.59**	**$101.71**
BLM, NPS, BIA, and O/Sec	$5.00	$0.97	$17.95	$1.46
BOR and NPS	$2.15	$2.47	$12.22	$18.13
BOR, USGS, FWS, and NPS	$4.47	$4.23	$42.49	$46.88
NPS and BIA	$7.46	$6.30	$19.93	$35.24
Justice	**$4,621.52**	**$5,158.57**	**$2,202.64**	**$7,089.35**
Administrative Review and Appeals	$1.50	$1.00	$3.50	$14.50

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Antitrust Division	$0.35	$0.35	$0.00	$0.36
Community Relations Service	$0.10	$0.15	$0.00	$0.20
Counterterrorism Fund	$45.79	$4.99	$0.00	$35.00
Drug Enforcement Administration	$15.55	$12.20	$0.00	$36.90
Federal Bureau of Investigation	$547.36	$623.33	$821.62	$1,260.25
Federal Prison Systems	$31.00	$30.00	$0.00	$31.00
General Administration	$15.35	$13.19	$5.00	$720.14
General Legal Activities	$13.34	$14.23	$4.80	$24.02
Immigration and Naturalization Service	$3,767.00	$4,111.24	$583.40	$4,698.00
Office of Justice Programs	$93.51	$251.45	$651.10	$39.00
Office of the Inspector General	$0.00	$0.00	$0.00	$3.00
U.S. Attorneys	$16.00	$16.00	$51.90	$79.10
U.S. Marshals Service	$74.68	$80.45	$81.32	$147.88
Kennedy Center	**$0.00**	**$0.00**	**$4.31**	**$1.91**
KC	$0.00	$0.00	$4.31	$1.91
National Archives	**$0.00**	**$0.00**	**$2.00**	**$7.00**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
National Archives	$0.00	$0.00	$2.00	$7.00
National Capital	**$0.00**	**$0.00**	**$0.76**	**$0.00**
NCPC	$0.00	$0.00	$0.76	$0.00
National Gallery of	**$0.00**	**$0.00**	**$2.15**	**$2.17**
NGA	$0.00	$0.00	$2.15	$2.17
National Science	**$7.00**	**$7.00**	**$0.30**	**$32.60**
NSF	$7.00	$7.00	$0.30	$32.60
National Security	**$7,776.35**	**$8,707.20**	**$3,337.13**	**$14,259.43**
AFRRI/DoD	$10.63	$11.04	$0.00	$0.00
National Security	$7,765.72	$8,696.16	$3,337.13	$14,259.43
Nuclear Regulatory	**$4.85**	**$4.76**	**$35.21**	**$33.79**
NRC	$4.85	$4.76	$35.21	$33.79
Smithsonian	**$0.00**	**$0.00**	**$21.70**	**$20.00**
NSM	$0.00	$0.00	$21.70	$20.00
State	**$1,599.37**	**$1,775.56**	**$152.70**	**$2,279.50**
Bureau of Administration	$50.00	$37.00	$0.00	$123.00

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Bureau of Administration, Foreign	$1,035.00	$1,159.00	$105.00	$1,286.00
Bureau of Consular Affairs	$409.00	$465.00	$0.00	$643.00
Bureau of Diplomatic Security	$105.37	$114.56	$47.70	$227.50
Transportation	**$2,448.17**	**$4,120.43**	**$1,280.65**	**$7,281.77**
Federal Transit Administration	$1.35	$5.10	$28.70	$8.46
Research and Special Programs	$0.02	$0.02	$0.00	$0.02
St Lawrence Seaway Corporation	$0.08	$0.08	$0.00	$0.08
TSA/FAA	$276.01	$1,485.53	$1,024.80	$4,737.97
U.S. Coast Guard	$2,170.72	$2,629.71	$227.15	$2,535.24
Treasury	**$1,730.77**	**$2,094.79**	**$569.27**	**$2,828.37**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Alcohol, Tobacco and Firearms	$31.52	$35.81	$33.00	$40.73
Departmental Offices	$54.88	$40.00	$15.50	$72.84
Engraving and Printing	$6.00	$0.00	$0.00	$0.00
Federal Law Enforcement Training	$3.36	$3.43	$32.00	$18.00
Financial Crimes Enforcement Network	$0.06	$0.00	$2.00	$1.60
Financial Management Service	$4.43	$5.09	$0.00	$5.09
IRS	$18.56	$21.17	$14.41	$33.88
Treasury Inspector General for Tax	$5.76	$4.67	$0.00	$3.41
Treasury Office of Inspector General	$0.00	$0.00	$0.00	$0.17
U. S. Customs Service	$1,381.00	$1,704.80	$366.52	$2,306.17
U.S. Mint	$0.00	$6.80	$0.00	$15.47
USSS	$225.20	$273.03	$105.84	$331.02
United States Postal	**$0.00**	**$0.00**	**$675.00**	**$0.00**
United States Postal Service	$0.00	$0.00	$675.00	$0.00
US AID	**$13.00**	**$18.04**	**$14.40**	**$95.70**
Office of Foreign Disaster Assistance	$0.90	$1.10	$0.00	$1.10

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Security	$12.10	$16.94	$14.40	$94.60
US Army Corps	**$0.00**	**$0.00**	**$138.60**	**$65.00**
ACE	$0.00	$0.00	$138.60	$65.00
Veterans Affairs	**$0.24**	**$22.22**	**$2.00**	**$55.16**
Departmental Administration	$0.01	$0.22	$2.00	$0.16
Veterans Health Administration	$0.23	$22.00	$0.00	$55.00
Grand Total	**$19,993.08**	**$24,246.55**	**$12,221.47**	**$44,801.71**

CIP Funding by Bureau

$ in Millions Includes overlap with CT

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Agriculture	**$21.22**	**$49.01**	**$90.08**	**$12.78**
Agricultural Research Service	$15.97	$43.76	$73.00	$2.00
Animal and Plant Health Inspection Service	$3.19	$3.19	$14.08	$3.19
Food Safety and Inspection Service	$0.03	$0.03	$0.00	$0.03
Office of the Chief Information Officer	$2.03	$2.03	$0.00	$7.56
Office of the Secretary	$0.00	$0.00	$3.00	$0.00
Commerce	**$27.94**	**$30.10**	**$10.25**	**$50.69**
Bureau of Industry and Security	$4.76	$5.93	$1.00	$6.76
Departmental Management	$0.50	$0.00	$0.00	$4.59
Inspector General	$0.00	$0.00	$0.00	$0.75

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
National Oceanic And Atmospheric Administration	$7.75	$17.21	$1.25	$28.63
NIST	$14.93	$6.96	$6.50	$9.96
Patent & Trademark Office	$0.00	$0.00	$1.50	$0.00
Energy	**$48.41**	**$46.25**	**$0.00**	**$71.79**
Assistant Secretary for EM	$11.80	$11.40	$0.00	$12.55
Office of Counterintelligence (CN)				

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Office of Security & Emergency Operations	$34.68	$31.83	$0.00	$56.74
Power Marketing Administrations	$1.93	$3.02	$0.00	$2.50
EOP	**$0.16**	**$1.80**	**$123.00**	**$42.50**
EOP	$0.16	$1.80	$123.00	$42.50
EPA	**$2.15**	**$3.35**	**$121.01**	**$41.67**
OARM	$0.00	$0.00	$30.04	$19.00
Office of Environmental Information	$0.25	$0.30	$2.18	$0.30
Office of the Administrator	$0.00	$0.60	$0.00	$0.47
Office of Water	$1.90	$2.45	$88.79	$21.90
FEMA	**$1.55**	**$1.47**	**$0.00**	**$1.47**
FEMA	$0.39	$0.30	$0.00	$0.30
NASA	$1.16	$1.17	$0.00	$1.17
GSA	**$7.98**	**$13.48**	**$0.00**	**$19.58**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Federal Technology Service	$7.98	$13.48	$0.00	$19.58
HHS	**$84.34**	**$96.75**	**$0.00**	**$87.19**
Administration for Children and Families	$0.45	$0.44	$0.00	$0.44
Centers for Disease Control & Prevention	$21.35	$14.66	$0.00	$16.95
Centers For Medicare & Medicaid Services	$14.85	$10.86	$0.00	$10.43
Food and Drug Administration	$3.87	$0.66	$0.00	$0.66
Health Resources And Services Administration	$0.91	$0.95	$0.00	$0.95
Indian Health Service	$14.04	$13.61	$0.00	$12.79
National Institutes of Health	$18.66	$34.68	$0.00	$22.96
Office of the Inspector General	$0.95	$0.89	$0.00	$1.10
Office of the Secretary	$0.94	$7.80	$0.00	$8.00
Program Support Center	$8.32	$12.21	$0.00	$12.92
Interior	**$2.60**	**$3.79**	**$0.00**	**$3.84**
Multiple bureaus and offices	$2.60	$3.79	$0.00	$3.84
Justice	**$72.29**	**$80.41**	**$73.83**	**$153.87**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Federal Bureau of Investigation	$69.17	$75.26	$73.70	$147.85
General Legal Activities	$3.12	$5.15	$0.13	$6.02
Labor	**$13.37**	**$16.58**	**$5.88**	**$23.80**
Bureau of Labor Statistics	$3.96	$3.98	$0.00	$3.86
Departmental Management	$3.75	$4.60	$5.88	$9.45
Employment Standards Administration	$0.85	$1.21	$0.00	$2.47
Employment Training Administration	$0.56	$1.69	$0.00	$2.50
Mine Safety and Health Administration	$2.71	$1.09	$0.00	$1.29
Occupational Safety and Health Administration	$0.72	$1.18	$0.00	$1.45
Office of Inspector General	$0.07	$0.06	$0.00	$1.15
Pension Benefit Guaranty Corporation	$0.54	$1.22	$0.00	$0.54
Pension Welfare and Benefits Administration	$0.21	$1.55	$0.00	$1.09
Veterans' Employment and Training Service	$0.00	$0.00	$0.00	$0.00
NASA	**$116.00**	**$112.00**	**$108.50**	**$133.00**
NASA	$116.00	$112.00	$108.50	$133.00

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
National Science	**$205.15**	**$209.69**	**$0.00**	**$203.73**
CISE & ENG	$8.50	$8.79	$0.00	$9.10
Computer and Information Science and Engineering	$61.46	$65.51	$0.00	$70.06
EHR	$11.18	$11.16	$0.00	$11.18
ENG	$0.80	$0.80	$0.00	$0.80
Engineering	$27.85	$27.85	$0.00	$27.85
NSF	$0.00	$0.00	$0.00	$0.00
Social, Behavioral and Economic Sciences & ENG	$95.36	$95.58	$0.00	$84.74
National Security	**$1,824.13**	**$2,254.49**	**$514.27**	**$2,343.38**
National Security	$1,824.13	$2,254.49	$514.27	$2,343.38
OPM	**$0.85**	**$0.00**	**$0.00**	**$0.00**
OPM	$0.85	$0.00	$0.00	$0.00

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Social Security	**$73.83**	**$105.60**	**$7.50**	**$129.16**
SSA	$73.83	$105.60	$7.50	$129.16
Transportation	**$78.24**	**$89.44**	**$107.70**	**$487.85**
Federal Railroad Administration	$0.00	$0.00	$106.00	$0.00
Office of the Secretary	$2.36	$2.42	$0.00	$6.10
Research and Special Programs Administration	$1.02	$1.02	$1.70	$1.10

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Saint Lawrence Seaway Development Co	$0.00	$0.63	$0.00	$0.30
TSA/FAA	$73.98	$84.50	$0.00	$102.88
U.S. Coast Guard	$0.87	$0.87	$0.00	$377.47
Treasury	**$55.45**	**$34.95**	**$16.19**	**$42.72**
Alcohol, Tobacco and Firearms	$7.76	$0.00	$0.00	$7.76
Departmental Offices	$3.00	$0.80	$0.00	$0.80
Engraving and Printing	$7.25	$0.00	$0.00	$0.00
Financial Management Service	$4.43	$5.09	$0.00	$5.09
IRS	$5.70	$5.70	$13.59	$5.70
Office of the Comptroller of the Currency	$0.00	$0.00	$0.00	$0.00
Treasury Inspector General for Tax Administration	$0.38	$0.17	$0.00	$0.18
U. S. Customs Service	$1.20	$1.20	$0.00	$1.20
U.S. Mint	$0.00	$0.00	$0.10	$0.00
USSS	$25.73	$21.99	$2.50	$21.99
US Army Corps	**$0.00**	**$0.00**	**$138.60**	**$65.00**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
ACE	$0.00	$0.00	$138.60	$65.00
Veterans Affairs	**$17.54**	**$23.02**	**$0.00**	**$28.58**
Departmental Administration	$17.54	$23.02	$0.00	$28.58
Grand Total	**$2,653.21**	**$3,172.18**	**$1,316.81**	**$3,942.60**

COOP Funding by Bureau

$ in Millions Includes overlap with CT and CIP

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Agriculture	**$2.08**	**$2.08**	**$7.40**	**$2.36**
DA	*$0.25*	*$0.25*	*$0.00*	*$0.54*
Food Safety and Inspection Service	*$0.11*	*$0.11*	*$0.00*	*$0.11*
Office of the Chief Information Officer	*$1.72*	*$1.72*	*$0.00*	*$1.71*
Office of the Secretary	*$0.00*	*$0.00*	*$7.40*	*$0.00*
Commerce	**$2.61**	**$2.61**	**$0.00**	**$10.51**
Departmental Management	*$0.00*	*$0.00*	*$0.00*	*$0.70*
National Oceanic and Atmospheric Administration	*$0.00*	*$0.00*	*$0.00*	*$7.20*
Patent and Trademark Office	*$2.61*	*$2.61*	*$0.00*	*$2.61*
Education	**$0.04**	**$0.04**	**$0.00**	**$0.04**
Office of the Secretary	*$0.04*	*$0.04*	*$0.00*	*$0.04*

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Energy	**$4.95**	**$4.03**	**$0.00**	**$1.15**
Bonneville Power Administration	*$1.61*	*$1.61*	*$0.00*	*$0.00*
Defense Programs	*$0.47*	*$1.05*	*$0.00*	*$0.00*
Office of Security & Emergency Operations	*$1.25*	*$0.80*	*$0.00*	*$1.15*
Power Marketing Administrations	*$1.62*	*$0.57*	*$0.00*	*$0.00*
EOP	**$0.00**	**$0.20**	**$15.00**	**$5.00**
EOP	*$0.00*	*$0.20*	*$15.00*	*$5.00*
EPA	**$0.49**	**$0.58**	**$0.00**	**$0.58**
Office of Research and Development	*$0.13*	*$0.14*	*$0.00*	*$0.14*
Office of Solid Waste and Emergency Response	*$0.36*	*$0.44*	*$0.00*	*$0.44*
Federal	**$0.00**	**$0.00**	**$0.00**	**$1.00**
Compliance and Information Bureau	*$0.00*	*$0.00*	*$0.00*	*$1.00*
FEMA	**$1.23**	**$1.23**	**$0.00**	**$1.50**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
FEMA	*$1.23*	*$1.23*	*$0.00*	*$1.50*
GSA	**$0.96**	**$0.98**	**$0.00**	**$1.60**
Office of Emergency Management	*$0.96*	*$0.98*	*$0.00*	*$1.60*
HHS	**$12.11**	**$5.55**	**$0.00**	**$4.07**
Administration for Children and Families	*$0.09*	*$0.62*	*$0.00*	*$0.41*
Administration On Aging	*$0.00*	*$0.02*	*$0.00*	*$0.04*
Agency For Healthcare Research And Quality	*$0.00*	*$0.10*	*$0.00*	*$0.00*
Centers for Disease Control & Prevention (CDC)	*$0.30*	*$0.98*	*$0.00*	*$0.98*
Centers For Medicare & Medicaid Services	*$9.43*	*$0.43*	*$0.00*	*$0.50*
Food and Drug Administration	*$1.28*	*$0.08*	*$0.00*	*$0.08*
Health Resources And Services Administration	*$0.15*	*$0.18*	*$0.00*	*$0.18*
Indian Health Service	*$0.00*	*$1.45*	*$0.00*	*$0.56*
National Institutes of Health	*$0.22*	*$0.53*	*$0.00*	*$0.30*
Office of the Secretary	*$0.24*	*$0.39*	*$0.00*	*$0.40*
Program Support Center	*$0.39*	*$0.66*	*$0.00*	*$0.58*

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Substance Abuse And Mental Health Services Admin.	*$0.02*	*$0.12*	*$0.00*	*$0.05*
Interior	**$3.50**	**$3.78**	**$0.00**	**$4.96**
Multiple bureaus and offices	*$3.50*	*$3.78*	*$0.00*	*$4.96*
Justice	**$4.19**	**$34.23**	**$8.00**	**$39.95**
Drug Enforcement Administration	*$0.72*	*$31.23*	*$0.00*	*$26.34*
Federal Bureau of Investigation	*$0.00*	*$0.00*	*$8.00*	*$10.46*
Federal Prison System	*$1.93*	*$2.10*	*$0.00*	*$2.20*
General Administration	*$0.87*	*$0.90*	*$0.00*	*$0.95*
Immigration and Naturalization Service	*$0.67*	*$0.00*	*$0.00*	*$0.00*
Labor	**$3.02**	**$4.42**	**$0.00**	**$3.66**
Bureau of Labor Statistics	*$0.58*	*$0.40*	*$0.00*	*$0.24*
Departmental Management	*$1.68*	*$2.65*	*$0.00*	*$2.01*
Employment Standards Administration	*$0.51*	*$0.59*	*$0.00*	*$0.59*
Occupational Safety and Health Administration	*$0.02*	*$0.54*	*$0.00*	*$0.55*
Pension Benefit Guaranty Corporation	*$0.24*	*$0.24*	*$0.00*	*$0.27*

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
NASA	**$4.42**	**$4.42**	**$0.00**	**$4.48**
NASA	*$4.42*	*$4.42*	*$0.00*	*$4.48*
National Security	**$100.61**	**$101.83**	**$587.00**	**$273.09**
National Security	*$100.61*	*$101.83*	*$587.00*	*$273.09*
Nuclear Regulatory	**$1.00**	**$0.37**	**$0.79**	**$0.62**
NRC	*$1.00*	*$0.37*	*$0.79*	*$0.62*
OPM	**$1.19**	**$1.93**	**$0.00**	**$1.25**
OPM	*$1.19*	*$1.93*	*$0.00*	*$1.25*
SEC	**$1.86**	**$0.75**	**$0.00**	**$0.17**
SEC	*$1.86*	*$0.75*	*$0.00*	*$0.17*

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Small/Indep Agencies	**$1.54**	**$2.50**	**$0.10**	**$1.97**
EEOC	*$0.13*	*$0.10*	*$0.10*	*$0.99*
Federal Reserve Board				
HUD	*$0.32*	*$0.34*	*$0.00*	*$0.98*
SBA	*$1.09*	*$2.06*	*$0.00*	*$0.00*
Social Security	**$0.30**	**$0.51**	**$0.00**	**$0.20**
SSA	*$0.30*	*$0.51*	*$0.00*	*$0.20*
State	**$4.40**	**$4.50**	**$0.00**	**$0.00**
Administration	*$4.40*	*$4.50*	*$0.00*	*$0.00*
Transportation	**$9.42**	**$9.71**	**$0.80**	**$14.55**

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
Research and Special Programs Administration	*$0.31*	*$0.31*	*$0.80*	*$0.11*
TSA/FAA	*$8.82*	*$9.11*	*$0.00*	*$14.15*
U.S. Coast Guard	*$0.29*	*$0.29*	*$0.00*	*$0.29*
Treasury	**$21.43**	**$27.21**	**$33.05**	**$38.60**
Alcohol, Tobacco and Firearms	*$1.38*	*$1.38*	*$0.00*	*$1.38*
Departmental Offices	*$0.39*	*$2.13*	*$0.00*	*$2.13*
Engraving and Printing	*$1.68*	*$1.73*	*$0.00*	*$0.00*
Financial Management Service	*$3.42*	*$3.43*	*$0.00*	*$3.43*
IRS	*$2.00*	*$2.00*	*$13.55*	*$0.00*
Office of the Comptroller of the Currency	*$0.00*	*$0.10*	*$0.00*	*$0.00*
Treasury Inspector General for Tax Administration	*$0.28*	*$0.09*	*$0.00*	*$0.05*
Treasury Office of Inspector General	*$0.04*	*$0.04*	*$0.00*	*$0.02*
U. S. Customs Service	*$2.00*	*$7.00*	*$18.30*	*$24.20*
U.S. Mint	*$0.00*	*$1.92*	*$0.00*	*$0.00*
USSS	*$10.24*	*$7.39*	*$1.20*	*$7.39*

Department/Bureau	FY01 Actual	FY02 Enacted	ERF	FY03 President's Budget
US AID	**$0.11**	**$0.18**	**$0.00**	**$0.18**
Management Bureau	*$0.11*	*$0.18*	*$0.00*	*$0.18*
Veterans Affairs	**$0.96**	**$0.18**	**$0.00**	**$0.18**
Departmental Administration	*$0.96*	*$0.18*	*$0.00*	*$0.18*
Grand Total	***$182.43***	***$213.81***	***$652.14***	***$411.67***