

THE WHITE HOUSE  
WASHINGTON

May 18, 2000

The Speaker of the

House of Representatives

Sir:

I ask the Congress to consider the enclosed requests for FY 2001 budget amendments for programs designed to strengthen the Nation's counterterrorism efforts. The programs involve the Departments of Justice and the Treasury, as well as national security activities. The requested FY 2001 funding increases are offset fully, and these amendments would not diminish the FY 2001 surplus.

Intelligence collected in the wake of the arrest of a terrorist operative during the New Year's period indicates that the threat of terrorism has increased. The threat extends to Americans and their homes and businesses -- both in the continental United States and abroad. In light of this enhanced threat, we must strengthen our counterterrorism efforts. It is imperative that the Congress act aggressively to provide this critically needed funding.

This package will provide resources to sustain the high level of effort begun during the New Year's period and for new measures to track and thwart terrorist activity. For example, we have already established units at several locations around the country to enhance coordination and collaboration among law enforcement agencies across Canada and the United States, and we have increased protection along the northern border.

The details of these actions are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

Handwritten signature of William J. Clinton in black ink.

Enclosure



THE DIRECTOR

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

May 18, 2000

The President

The White House

Submitted for your consideration are requests for FY 2001 budget amendments for the Departments of Justice and the Treasury for activities that are designed to strengthen the Nation's counterterrorism efforts. Additional FY 2001 counterterrorism funding is also requested for certain national security activities and is described in a separate classified annex. The additional funding requested is offset fully by reductions proposed in this transmittal, and the FY 2001 resources proposed in your budget would not be increased.

In light of the recent alarming trends of increased terrorist activity, OMB and the National Security Council have worked with the Departments of Justice and the Treasury, as well as the national security community, to produce a set of policy and funding options that will permit us to take the battle to the terrorists, as well as provide additional protection at and within our borders. After several months of interagency discussion, we have reached agreement on a highly cost-effective package of programmatic proposals.

The FY 2001 budget amendments for critical counterterrorism needs in this transmittal build on initiatives being undertaken in FY 2000 and funded through the reallocation of existing resources. Departmental notifications regarding the use of these resources for counterterrorism initiatives in FY 2000 are being transmitted separately to the Congress for approval.

As described below, and in more detail in the enclosures, the FY 2001 amendments include the following:

Department of Justice

- A total of \$38.9 million is proposed for the Immigration and Naturalization Service (INS) to enhance its counterterrorism efforts. Of this amount, \$23.8 million is requested to add staff to new Joint Terrorism Task Forces (JTTFs) and expand port of entry intelligence teams along the northern border. JTTFs are interagency law enforcement groups (including State and local law enforcement) that combine resources and expertise for a more efficient and effective effort to deter and investigate terrorists.

Included in the INS request is \$9.6 million that would be used to expand the capability of the only Federal crime lab dedicated to the forensic examination of documents to ensure the timely review of fraudulent entry documents and \$5.5 million that would be used to deploy high resolution day and night camera technology along the northern border.

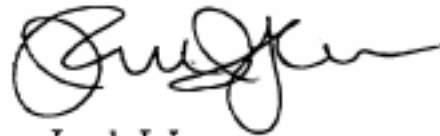
- An increase of \$26.3 million is requested for the Federal Bureau of Investigation (FBI). Of that amount, \$2.6 million is requested for JTTF support, \$12.5 million would be used to purchase equipment and communications support to collect information on digital communications equipment and to store this data, and \$4.8 million is for increased translation services associated with the digital information collection. Finally, \$5.0 million is requested for investigative travel for FBI agents engaged in counterterrorism activities, and \$1.4 million is for other FBI activities.
- An increase of \$3.4 million is proposed for the Office of Intelligence Policy and Review to improve the review and processing of applications for foreign counter-intelligence data collection.
- An increase of \$2.6 million is requested for General Legal Activities to support additional prosecutors and to improve guidance and assistance on terrorism to Federal, State, local, and foreign agencies.

#### Department of the Treasury

- A total of \$14.2 million is proposed to support 103 additional positions for the JTTFs. Several Department of the Treasury bureaus -- the United States Secret Service, the United States Customs Service, the Bureau of Alcohol, Tobacco and Firearms, and the Internal Revenue Service -- bring unique investigative skills and jurisdictions to these task forces.
- An increase of \$26.6 million is requested for the U.S. Customs Service. Of this amount, \$6.6 million would fund 48 new agents to increase Customs' ability to counter the threat of terrorism along the northern border, in part, through cooperative efforts with Canada, and \$20.0 million would provide an investment in technology and infrastructure on the northern border (e.g., gates, bollards, secure communications, surveillance cameras, non-intrusive technologies).
- An increase of \$6.4 million is requested to support the establishment of a new interagency National Terrorist Asset Tracking Center and to reinforce the analytical unit of the Office of Foreign Asset Control.
- A proposal is also included that would increase -- by \$30.0 million -- the contingent emergency appropriation proposed in your budget for the Department of the Treasury's Counterterrorism Fund. This Fund would cover unanticipated costs associated with: (1) providing support to counter, investigate, or prosecute domestic or international terrorism; and, (2) re-establishing the operational capacity of an office, facility, or other property damaged or destroyed as a result of any domestic or international terrorist incident.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the proposals to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jacob J. Lew  
Director

Enclosures

Agency: DEPARTMENT OF JUSTICE  
Bureau: GENERAL ADMINISTRATION  
Heading: Salaries and Expenses  
FY 2001 Budget Appendix Page: 629  
FY 2001 Pending Request: \$88,196,000  
Proposed Amendment: \$3,357,000  
Revised Request: \$91,553,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would address staffing and equipment needs related to the processing of applications to the Foreign Intelligence Surveillance Court by the Office of Intelligence Policy and Review.

This amendment would increase FY 2001 outlays by \$3.0 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF JUSTICE  
Bureau: LEGAL ACTIVITIES AND U.S. MARSHALS  
Heading: Salaries and Expenses, General Legal Activities  
FY 2001 Budget  
Appendix Page: 635  
FY 2001  
Pending Request: \$552,239,000  
Proposed Amendment: \$996,000  
Revised Request: \$553,235,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to develop responses to the threat of terrorism and to investigate and prosecute those who commit terrorist attacks.

This amendment would increase FY 2001 outlays by \$0.9 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF JUSTICE  
Bureau: LEGAL ACTIVITIES AND U.S. MARSHALS  
Heading: Salaries and Expenses, United States Attorneys  
FY 2001 Budget Appendix Page: 638  
FY 2001 Pending Request: \$1,291,001,000  
Proposed Amendment: \$1,632,000  
Revised Request: \$1,292,633,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to support the U.S. Attorneys' participation in counterterrorism investigations. Prosecutors are needed in the early stages of these investigations to ensure effective electronic surveillance and information collection. Additional prosecutors are also needed to target foreign terrorists engaged in terrorist fund raising, money laundering, and various other terrorism precursor activities. This proposal would also support additional prosecutors in major cities such as New York, Miami, San Francisco, Los Angeles, and Washington, D.C. to handle cases that result from increased enforcement under the Foreign Intelligence Surveillance Act.

This amendment would increase FY 2001 outlays by \$1.4 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF JUSTICE  
Bureau: FEDERAL BUREAU OF INVESTIGATION  
Heading: Salaries and Expenses  
FY 2001 Budget  
Appendix Page: 648  
FY 2001  
Pending Request: \$3,277,562,000  
Proposed Amendment: \$26,306,000  
Revised Request: \$3,303,868,000

(In the appropriations language under the above heading, delete "\$3,277,562,000" and substitute \$3,303,868,000; and, delete "\$300,473,000" and substitute \$326,779,000.)

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to: expand the Joint Terrorism Task Forces; ensure timely compliance with Foreign Intelligence Surveillance Act requirements; increase translation capabilities; expand the Legal Attache presence in Canada; further develop digital collection capabilities; and, support domestic and international investigative travel.

This amendment would increase FY 2001 outlays by \$19.7 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.



Agency: DEPARTMENT OF JUSTICE  
Bureau: IMMIGRATION AND NATURALIZATION SERVICE  
Heading: Salaries and Expenses, Enforcement and Border Affairs  
FY 2001 Budget  
Appendix Page: 654  
FY 2001  
Pending Request: \$2,580,890,000  
Proposed Amendment: \$38,858,000  
Revised Request: \$2,619,748,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used for: additional agents for the Joint Terrorism Task Forces in order to address immigration-related issues in terrorism cases; additional personnel for Port of Entry Intelligence Teams; agent and support positions, laboratory equipment, and fingerprint record upgrades to improve the capabilities of the Forensic Document Laboratory; and, high resolution day and night camera technology to expand the deployment of the Integrated Surveillance and Intelligence System (ISIS) along the northern border.

This amendment would increase FY 2001 outlays by \$31.1 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY

Bureau: DEPARTMENTAL OFFICES

Heading: Salaries and Expenses

FY 2001 Budget  
Appendix Page: 817

FY 2001  
Pending Request: \$154,582,000

Proposed Amendment: \$6,424,000

Revised Request: \$161,006,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to establish a new interagency National Terrorist Asset Tracking Center, which will identify and track assets associated with known terrorists and terrorist organizations. Funding would be used to reimburse Department of the Treasury law enforcement bureaus for detailees to the Center. This funding would also be used to reinforce the analytical component of the Office of Foreign Asset Control (OFAC). Five FTE would be hired to create a dedicated information analysis unit that would identify significant foreign terrorist targets, their related front organizations, their assets and commercial interests within the United States, and their methods of funds transfer.

This amendment would increase FY 2001 outlays by \$6.0 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY  
Bureau: DEPARTMENTAL OFFICES  
Heading: Counterterrorism Fund  
FY 2001 Budget  
Appendix Page: 825  
FY 2001  
Pending Request: \$25,000,000  
Proposed Amendment: \$30,000,000  
Revised Request: \$55,000,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. The FY 2001 Budget proposes a \$25.0 million contingent emergency appropriation to cover unanticipated costs associated with: (1) providing support to counter, investigate, or prosecute domestic or international terrorism; and, (2) re-establishing the operational capacity of an office, facility, or other property damaged or destroyed as a result of any domestic or international terrorist incident. No funding for this account was provided in FY 2000.

This amendment would provide an additional \$30.0 million contingent emergency appropriation that would allow Department of the Treasury law enforcement personnel to better respond to terrorist threats in the United States. Funds would be reimbursed to Department of the Treasury bureaus or departmental offices to cover unanticipated expenditures, including those incurred in FY 2000, in areas such as travel, transportation, communications, equipment, and security services.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY  
Bureau: BUREAU OF ALCOHOL, TOBACCO AND FIREARMS  
Heading: Salaries and Expenses  
FY 2001 Budget Appendix Page: 840  
FY 2001 Pending Request: \$755,903,000  
Proposed Amendment: \$4,148,000  
Revised Request: \$760,051,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to support 30 additional Bureau of Alcohol, Tobacco and Firearms (ATF) agents for the Joint Terrorism Task Forces (JTTFs). The JTTFs are interagency law enforcement groups (including State and local law enforcement) that combine resources and expertise for a more efficient and effective effort to deter and investigate terrorists. ATF brings unique investigative skills and jurisdictions in firearms and explosives to these task forces.

This amendment would increase FY 2001 outlays by \$3.7 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY  
Bureau: UNITED STATES CUSTOMS SERVICE  
Heading: Salaries and Expenses  
FY 2001 Budget Appendix Page: 843  
FY 2001 Pending Request: \$1,858,932,000  
Proposed Amendment: \$28,934,000  
Revised Request: \$1,887,866,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, of the total amount now requested, \$2.3 million would be used to support 17 additional Customs agents for the Joint Terrorism Task Forces (JTTFs). The JTTFs are interagency law enforcement groups (including State and local law enforcement) that combine resources and expertise for a more efficient and effective effort to deter and investigate terrorists. In addition, \$6.6 million would support 48 new agents to increase Customs' ability to counter the threat of terrorism along the northern border, in part through cooperative efforts with Canadian authorities. Finally, \$20.0 million would provide an investment in technology and infrastructure on the northern border (e.g., gates, bollards, secure communications, surveillance cameras, non-intrusive technologies).

This amendment would increase FY 2001 outlays by \$26.0 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY

Bureau: INTERNAL REVENUE SERVICE

Heading: Tax Law Enforcement

FY 2001 Budget  
Appendix Page: 855-56

FY 2001  
Pending Request: \$3,439,020,000

Proposed Amendment: \$4,839,000

Revised Request: \$3,443,859,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to support 35 additional Internal Revenue Service (IRS) agents for the Joint Terrorism Task Forces (JTTFs). The JTTFs are interagency law enforcement groups (including State and local law enforcement) that combine resources and expertise for a more efficient and effective effort to deter and investigate terrorists. IRS brings unique investigative skills and jurisdictions in financial and tax crimes to these task forces.

This amendment would increase FY 2001 outlays by \$4.5 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY  
Bureau: UNITED STATES SECRET SERVICE  
Heading: Salaries and Expenses  
FY 2001 Budget  
Appendix Page: 862  
FY 2001  
Pending Request: \$821,596,000  
Proposed Amendment: \$2,904,000  
Revised Request: \$824,500,000

This proposal would increase the pending FY 2001 request in order to provide additional funds in support of the Nation's counterterrorism efforts. Specifically, the additional resources requested would be used to support 21 additional U.S. Secret Service (USSS) agents for the Joint Terrorism Task Forces (JTTFs). The JTTFs are interagency law enforcement groups (including State and local law enforcement) that combine resources and expertise for a more efficient and effective effort to deter and investigate terrorists. USSS brings unique investigative skills and jurisdictions, particularly in financial crimes, to these task forces.

This amendment would increase FY 2001 outlays by \$2.6 million.

Taken together with reductions proposed in accompanying budget amendments, this amendment would not increase the proposed budget totals.

Agency: DEPARTMENT OF AGRICULTURE  
Bureau: FOOD AND NUTRITION SERVICE  
Heading: Special Supplemental Nutrition Program for Women, Infants, and Children

FY 2001 Budget  
Appendix Page: 167

FY 2001  
Pending Request: \$4,148,100,000  
Proposed Amendment: -\$50,000,000  
Revised Request: \$4,098,100,000

This proposal would decrease the pending FY 2001 request for the Special Supplemental Nutrition Program for Women, Infants, and Children. These funds are no longer required in FY 2001 because program participation in the first five months of FY 2000 has been lower than projected, which will result in higher than anticipated carry-over balances.

This reduction -- along with other reductions proposed in this transmittal -- would offset the additional funding requested in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$46.9 million.



Agency: DEPARTMENT OF DEFENSE

Bureau: PROCUREMENT

Heading: Procurement, Defense-Wide

FY 2001 Budget  
Appendix Page: 285

FY 2001  
Pending Request: \$2,275,308,000

Proposed Amendment: -\$15,000,000

Revised Request: \$2,260,308,000

This amendment would reduce the pending FY 2001 request for the Telecommunications Carrier Compliance Fund contained within Procurement, Defense-Wide by \$15.0 million. These funds are no longer required in FY 2001 because the Congress is expected to accelerate funding to FY 2000. A \$15.0 million reduction to the Department of Justice request for this program is also proposed in an accompanying budget amendment.

This reduction -- along with other reductions proposed in this transmittal -- would offset the additional funding requested in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$15.0 million.

Agency: DEPARTMENT OF JUSTICE  
Bureau: GENERAL ADMINISTRATION  
Heading: Narrowband Communications  
FY 2001 Budget  
Appendix Page: 630  
FY 2001  
Pending Request: \$205,000,000  
Proposed Amendment: -\$17,000,000  
Revised Request: \$188,000,000

This proposal would decrease the pending FY 2001 request for the Narrowband Communications program. Requirements for the use of these funds will be postponed until FY 2002.

This reduction -- along with other reductions proposed in this transmittal -- would offset the additional funding requested in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$11.9 million.

Agency: DEPARTMENT OF JUSTICE  
Bureau: GENERAL ADMINISTRATION  
Heading: Counterterrorism Fund  
FY 2001 Budget  
Appendix Page: 631  
FY 2001  
Pending Request: \$25,000,000  
Proposed Amendment: -\$15,000,000  
Revised Request: \$10,000,000

This proposal would decrease the pending FY 2001 request for this Fund by \$15.0 million. The Counterterrorism Fund is a reserve fund used to defray unanticipated costs resulting from terrorist activities. Rather than provide this \$15.0 million to this reserve fund at this time, additional resources are requested for specific programs in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$11.3 million.

Agency: DEPARTMENT OF JUSTICE  
Bureau: GENERAL ADMINISTRATION  
Heading: Telecommunications Carrier Compliance Fund  
FY 2001 Budget  
Appendix Page: 631  
FY 2001  
Pending Request: \$120,000,000  
Proposed Amendment: -\$15,000,000  
Revised Request: \$105,000,000

This proposal would decrease the pending FY 2001 request for the Telecommunications Carrier Compliance Fund in the Department of Justice by \$15.0 million. These funds are no longer required in FY 2001 because the Congress is expected to accelerate funding to FY 2000. A \$15.0 million reduction to the Department of Defense request for this program is also proposed in an accompanying budget amendment.

This reduction -- along with other reductions proposed in this transmittal -- would offset the additional funding requested in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$15.0 million.

Agency: DEPARTMENT OF JUSTICE  
Bureau: GENERAL ADMINISTRATION  
Heading: Working Capital Fund  
FY 2001 Budget  
Appendix Page: 634  
FY 2001  
Pending Request: -----  
Proposed Amendment: -\$10,000,000  
Revised Request: -\$10,000,000

(Insert the appropriations language that follows immediately under the above heading.)

Of the unobligated balances available under this heading on September 30, 2000, \$10,000,000 is hereby canceled.

This cancellation of \$10.0 million in unobligated balances would not affect program operations. This reduction -- along with other reductions proposed in this transmittal -- would offset the additional funding requested in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$10.0 million.

Agency: DEPARTMENT OF THE TREASURY

Bureau: INTERNAL REVENUE SERVICE

Heading: Information Technology Investments

FY 2001 Budget

Appendix Page: 859

FY 2001

Pending Request: \$119,000,000

Proposed Amendment: -\$47,249,000

Revised FY 2001 Request: \$71,751,000

FY 2002

Pending Request: \$375,000,000

Proposed Amendment: \$47,249,000

Revised FY 2002 Request: \$422,249,000

(In the appropriations language under the above heading, delete "\$119,000,000" and substitute \$71,751,000; and, delete "\$375,000,000" and substitute \$422,249,000.)

This proposal would decrease the pending FY 2001 request for the Internal Revenue Service's (IRS's) Information Technology Investment account by \$47.2 million. This reduction is possible due to the slower-than-expected start up of the IRS's Information Technology Modernization program in FY 2000. This proposal would also increase the pending FY 2002 advance appropriation request by the same amount. While total program requirements have not decreased, this one-year delay in funding a portion of the program will have no programmatic impact.

This FY 2001 reduction -- along with other reductions proposed in this transmittal -- would offset the additional funding requested in accompanying budget amendments to address critical counterterrorism needs.

This amendment would decrease FY 2001 outlays by \$21.3 million.