

THE WHITE HOUSE

WASHINGTON

May 23, 2002

Dear Mr. Speaker:

In order to fulfill urgent requirements for civil aviation security, today I am notifying Congress of my intent to reallocate funds previously transferred to the Federal Emergency Management Agency (FEMA) from the Emergency Response Fund (ERF). These funds will now be allocated to the Transportation Security Administration (TSA) in accordance with the provisions of Public Law 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001.

In addition, I am revising my request for supplemental funding transmitted on March 21st to account for this transfer by increasing my Administration's request for supplemental funding for FEMA and reducing the request for TSA. This will ensure that FEMA has the full resources necessary to meet my commitment to the recovery of New York.

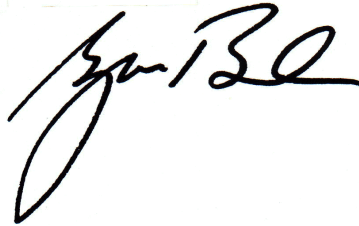
As provided in Public Law 107-38, the \$760 million to be transferred will be made available immediately to TSA for civil aviation security.

In my letter of April 12, 2002, I informed the Congress of a temporary reallocation of \$325 million in emergency response funds to TSA from the Federal Aviation Administration (FAA). I now propose that the TSA supplemental language include specific authority for TSA to return those funds to FAA from amounts provided in the supplemental appropriations bill.

I hereby designate the revised requests contained in the accompanying material as emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

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 recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert". The signature is written in a cursive style with a large, sweeping initial "J" and a long, horizontal tail.

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

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

May 21, 2002

The President

The White House

Submitted for your consideration is a request to reallocate funds provided in P.L.107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001. This request would reallocate funds previously transferred from the Emergency Response Fund (ERF).

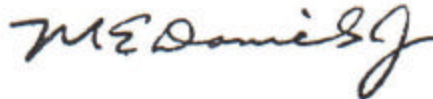
In order to avoid delay and disruption of the Transportation Security Administration's (TSA's) operations, the Administration proposes that a portion of the emergency response funds previously allocated to the Federal Emergency Management Agency (FEMA) instead be transferred to the TSA to support its operations through June when supplemental funding will likely be enacted. FEMA has received over \$6 billion for recovery from and response to the terrorist attacks of September 11, 2001, and even with this transfer it has ample funds to support these activities until enactment of the supplemental.

This request would transfer \$760 million of FEMA's emergency response funds to TSA. Pursuant to P.L. 107-38, these funds would be available immediately. This proposal would account for this transfer by increasing the Administration's request for supplemental funding for FEMA by \$760 million and by decreasing the supplemental request for TSA by \$760 million. TSA is unique in that the rigorous timetable established in law for the deployment of passenger and baggage screeners urgently requires supplemental funding before Congress plans to finish its work on the FY 2002 supplemental appropriations bill, while other agencies, including FEMA, have sufficient funds to continue their activities.

On April 12, 2002, you informed the Congress of a temporary reallocation of emergency response funds to TSA from the Federal Aviation Administration's (FAA's) Federal Air Marshal Program (\$275 million) and the Aviation Insurance Trust Fund (\$50 million). The TSA supplemental language now proposed includes specific authority for TSA to return those funds to FAA from amounts to be provided in the supplemental appropriations bill.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Transportation and the Director of FEMA in recommending your approval of the requested reallocation and the transmittal of the revised supplemental proposals to the Congress. In addition, I recommend that you designate the revised supplemental requests as emergency funding requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Sincerely,

A handwritten signature in black ink, appearing to read "M E Daniels Jr". The signature is written in a cursive style with a large, stylized initial "M".

Mitchell E. Daniels, Jr.
Director

Enclosures

**REALLOCATION OF AMOUNTS PREVIOUSLY APPROPRIATED AND
TRANSFERRED FROM THE EMERGENCY RESPONSE FUND**

Available Immediately:

Department of Transportation

Transportation Security Administration

Transportation Security Administration.....\$760,000,000

These funds would support Transportation Security Administration civil aviation security activities through June, pending the enactment of the FY 2002 supplemental appropriations bill. These funds were originally transferred from the Emergency Response Fund, established by P.L. 107-38, to the Federal Emergency Management Agency.

Revised Request

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION SECURITY ADMINISTRATION

Transportation Security Administration

For additional amounts for emergency expenses to implement the Federal takeover of airport security, \$3,640,000,000, to remain available until expended of which not to exceed \$325,000,000 may be transferred to "Operating Expenses" and "Aviation Insurance Revolving Fund" accounts of the Federal Aviation Administration: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

This is a revised supplemental request for the Transportation Security Administration (TSA). The previous request has been reduced by \$760 million as a result of an equal amount of funding that the President reallocated to TSA from the Emergency Response Fund (ERF). Immediate funding from the ERF for TSA is necessary given TSA's need to continue payment of contract passenger screeners and to obligate significant resources to meet statutory deadlines for implementing the Aviation and Transportation Security Act (P.L. 107-87). TSA is in a unique situation among all agencies requesting a supplemental in that it must establish a large new organization in a very short time frame. The unanticipated lag in enacting the supplemental and the tight deadlines specified in the law require this reallocation.

In addition to a reduction in the request level, the revised request eliminates the proposal for a separate contingent emergency appropriation. TSA funding needs for FY 2002 have now been sufficiently defined and detailed to permit designation of the entire amount as an emergency.

Overall, the requested level of \$3.64 billion would support TSA's funding needs beyond June for the remainder of FY 2002. Funding needs include resources for transitional screener contracts, initial Federal screeners and screening supervisory personnel, airport managers, and some support activities. In addition, funding would be provided for checkpoint law enforcement officers, including reimbursements to State and local law enforcement agencies. Over \$750 million will be utilized for the purchase and installation of checkpoint and baggage screening equipment at airports.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Revised Request

FEDERAL EMERGENCY MANAGEMENT AGENCY

Disaster Relief

For an additional amount for "Disaster Relief" for emergency expenses to respond to the September 11, 2001 terrorist attacks on the United States, \$3,510,000,000, to remain available until expended: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

This is a revised supplemental request for the Federal Emergency Management Agency (FEMA). The previous request has been increased by \$760 million as a result of an equal amount of funding that was reallocated by the President from FEMA to the Transportation Security Administration.

Funding is requested to enable FEMA to support additional disaster relief efforts in response to the September 11th terrorist attacks. Funds would be used for the continuing response and recovery activities from the September 11th attacks, including an assessment of building construction standards and replacement of public facilities and the transit system. With respect to the New York recovery effort, this request, in conjunction with amounts previously appropriated, is expected to cover all remaining expenses that are eligible for reimbursement under the Stafford Act.

The entire amount requested has been designated by the President as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.