

THE WHITE HOUSE
WASHINGTON

September 7, 2005

Dear Mr. Speaker:

On September 2nd, I signed into law Public Law 109-61, the Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, which provided \$10.5 billion in emergency supplemental funds for hurricane-related disaster relief.

Due to the catastrophic nature of Hurricane Katrina, I am asking the Congress to consider the enclosed request, for an additional \$51.8 billion, for emergency FY 2005 supplemental resources for the Departments of Defense and Homeland Security and the Army Corps of Engineers.

I hereby designate this proposal in the amount requested herein as an emergency requirement. This request responds to urgent needs associated with immediate response and recovery efforts associated with Hurricane Katrina in Alabama, Louisiana, Mississippi, and other affected areas.

I urge the Congress to act expeditiously on this request to ensure that the Federal response to this disaster continues uninterrupted. I anticipate making a further request that will provide for additional response and recovery efforts after further assessing the impact of the hurricane.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert", written over a light blue rectangular background.

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

September 7, 2005

The President
The White House

On September 2nd, you signed into law Public Law 109-61, the Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, which provided \$10.5 billion in emergency supplemental funds for hurricane-related disaster relief.

Submitted for your consideration are additional FY 2005 emergency supplemental proposals, totaling \$51.8 billion, for the Departments of Defense and Homeland Security, and the Army Corps of Engineers. These funds are being requested to provide for immediate emergency response and recovery needs associated with this disaster.

The size, scope, and complexity of this disaster are unprecedented and the immediate Federal response and recovery efforts to date have been extensive. There is still great uncertainty regarding the extent of the damage and the full cost of emergency response and recovery efforts. This proposed emergency supplemental request is based on agencies' commitments to date and the Administration's best assessment of additional requirements to ensure agencies are fully funded to continue immediate response and recovery efforts.

The request would provide additional funds for Federal, State and local responders to continue life-saving and life-sustaining missions by providing ongoing search and rescue, water, food, and medicine, while also taking appropriate actions to prevent exposure, crime and disease. More than 75,800 response, rescue, recovery and law enforcement personnel are working around the clock to bring critical aid and support to the Gulf Coast region. The Federal Emergency Management Agency (FEMA) is working with Federal and State partners and voluntary organizations to ensure victims of Hurricane Katrina are relocated to safe shelters with life-sustaining commodities. Housing Task Forces are taking extraordinary measures to address transitional housing needs for disaster victims.

In coordination with the Department of Health and Human Services (HHS), FEMA is providing mass care to disaster victims at shelters and medical units, and distributing vital medications and supplies, tetanus vaccines, and maintenance medications for diseases such as diabetes, heart disease, and other conditions.

The Department of Defense (DOD) has moved significant military resources into the Gulf States to aid in rescue and recovery. Maintaining law and order is a priority to assist recovery and evacuation efforts and deliver relief in a timely and effective manner. There are 15,000 active duty military personnel committed to this effort in addition to more than 42,000 National Guard troops, nearly 4,000 Coast Guard, and additional Federal law enforcement personnel in Alabama, Louisiana and Mississippi.

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

Department of Homeland Security

- \$50.0 billion for the Department of Homeland Security to enable FEMA to continue ongoing response and recovery efforts, including assistance to families and individuals so that they can be sheltered, fed, and provided with medical care. These funds will also support public assistance and debris removal in the affected areas, and response activities performed by other Federal agencies as assigned by FEMA pursuant to the Stafford Act. The request also includes the authority to transfer \$100 million to FEMA's National Disaster Medical System in support of immediate hospital care for hurricane victims.

Department of Defense

- \$1.4 billion for DOD to enable the Department to continue to cover the costs associated with deployment of military personnel to assist communities, save lives, and provide relief supplies. DOD's immediate crisis response costs include immediate facilities repairs of critical DOD property to restore functionality, evacuation of DOD personnel, debris clean-up, transportation costs, and emergency utility costs. Authority is also requested to transfer up to \$6 million to the Armed Forces Retirement Home system to pay for costs associated with evacuating residents of retirement homes in affected areas.

Corps of Engineers

- \$400 million to restore navigation locks and channels in the Gulf States and to continue repairs to pump stations and levees in the affected areas.

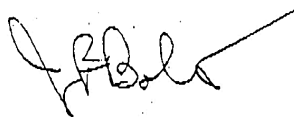
Language is also proposed that would allow Federal agencies to use the emergency procurement authorities specified in the Office of Federal Procurement Policy Act for Hurricane Katrina relief efforts and would increase the micro-purchase threshold to \$250,000.

I anticipate recommending to you an additional request to provide for further response to this disaster, once more detailed estimates can be developed on the extent of damage and recovery needs.

All of the requests in this transmittal fulfill known and urgent requirements that cannot reasonably be met under the current FY 2005 funding levels. I recommend that you designate the proposals contained in this transmittal as emergency requirements.

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

Sincerely,



Joshua B. Bolten
Director

Enclosure

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Defense-Wide

(Including Transfer of Funds)

In addition to amounts provided under this heading in the "Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005" and subject to the same terms and conditions, \$1,400,000,000, of which not to exceed \$6,000,000 may be transferred to "Armed Forces Retirement Home" for emergency hurricane expenses, notwithstanding any other provision of law.

The \$500 million already appropriated will support the Department of Defense's (DOD) efforts that have not been reimbursed by FEMA for the first two weeks of relief operations. Additional funds requested will support the continuation of DOD's immediate crisis response costs beyond the first two weeks. Funds would cover additional costs associated with deployment of military personnel to assist communities, save lives, and provide relief supplies as well as additional facilities repairs of critical DOD property to restore functionality, evacuation of DOD personnel, debris clean-up, transportation costs, and emergency utility costs.

Authority is also requested to transfer up to \$6 million to the Armed Forces Retirement Home system to pay for costs associated with evacuating residents of retirement homes in affected areas and providing them medical care, food, and lodging in temporary locations or at the Armed Forces Retirement Home – Washington facility.

DEPARTMENT OF HOMELAND SECURITY
EMERGENCY PREPAREDNESS AND RESPONSE

Disaster Relief Fund

(Including Transfer of Funds)

For an additional amount for necessary expenses under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$50,000,000,000, to remain available until expended, of which up to \$100,000,000 may be transferred to and merged with "Public Health Programs," Emergency Preparedness and Response, for the National Disaster Medical System to support medical care as authorized by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, as amended (42 U.S.C. 300hh-11): Provided, That Congress designates the amounts provided herein as an emergency requirement for this specific purpose.

This request would provide an additional \$50.0 billion for the Department of Homeland Security's Federal Emergency Management Agency (FEMA) for disaster relief associated with Hurricane Katrina. This funding will support continuing response efforts, including assistance to families and individuals so that they can be sheltered, provided with emergency medical care, and receive other FEMA disaster assistance benefits. Additionally, the funding will support public assistance and debris removal in the affected areas, and response activities performed by other Federal agencies pursuant to mission assignments from FEMA under the Stafford Act. The request also includes the authority to transfer \$100 million to FEMA's National Disaster Medical System in support of short-term, definitive medical care for hurricane victims transferred to hospitals, an activity that falls outside of the Stafford Act. This request ensures that Federal disaster response and relief efforts will continue uninterrupted.

ARMY CORPS OF ENGINEERS – CIVIL WORKS

Operation and Maintenance, General

For an additional amount for "Operation and Maintenance, General" to dredge navigation channels and repair other Corps projects in the Gulf states affected by Hurricane Katrina, \$200,000,000, to remain available until expended: Provided, That Congress designates this amount as an emergency requirement for this specific purpose.

This request would provide an additional \$200 million to the Army Corps of Engineers to restore navigation locks and channels and other projects in the Gulf States that the Corps is authorized to maintain. The Corps would use these funds to dredge channels back to their operating depths existing prior to Hurricane Katrina, and repair flood and other projects.

ARMY CORPS OF ENGINEERS – CIVIL WORKS

Flood Control and Coastal Emergencies

For an additional amount for "Flood Control and Coastal Emergencies," as authorized by section 5 of the Flood Control Act of August 16, 1941, as amended (33 USC 701), for emergency response to and recovery from coastal storm damages and flooding in the Gulf states caused by Hurricane Katrina, \$200,000,000, to remain available until expended: Provided, That Congress designates this amount as an emergency requirement for this specific purpose.

This request would provide \$200 million for the Flood Control and Coastal Emergencies account of the Army Corps of Engineers in order to continue repairs to pump stations and levees in southern Louisiana, Mississippi and other affected Gulf States. These emergency repairs are needed to facilitate the continued drainage of flooded areas, particularly in New Orleans.

GENERAL PROVISION

Sec. _____. Emergency Procurement Authority to Support Hurricane Rescue and Relief Operations. For procurements of property or services determined by the head of an executive agency to be used in support of Hurricane Katrina rescue and relief operations--

(a) the emergency procurement authority in subsection 32A(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428a(c)) may be used; and

(b) the amount specified in subsections (c),(d) and (f) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428(c)) shall be \$250,000.

This proposal would allow all Federal agencies to use the emergency procurement authorities specified in the Office of Federal Procurement Policy Act for Hurricane Katrina relief efforts and would increase the micro-purchase threshold to \$250,000.