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HEADLINE: DONT SHORT CITY \$570M, GOV SAYS

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BODY:

WASHINGTON - Gov. Pataki is pressing the Bush administration to overturn an emergency funding decision that will cost the city \$570 million for the World Trade Center recovery.

The Federal Emergency Management Agency is on track to spend more than \$5.7 billion to help cope with the effects of the WTC attack, said Dennis Michalski of the state Office of Emergency Management.

But at issue is a supplement of 15% that the federal agency generally provides for hazard mitigation on top of its emergency funding. For the WTC disaster, the agency has cut that supplement to 5% - which could cost New York some \$570 million. The argument about the federal money is the latest clash over cash between the administration and New York officials.

White House budget director Mitch Daniels accused the state's congressional delegation this month of "money grubbing" when it insisted President Bush had promised the city \$20 billion. He later apologized and Bush has reiterated that the money would be provided.

A Pataki aide, in an Oct. 18 letter to the Federal Emergency Management Agency, pointed out that the agency used the 15% formula when it came to the aid of localities in Texas after Tropical Storm Allison in June.

"I have to admit that the percentages are different, but you're talking about two entirely different disasters," said agency spokesman John Czwartacki.

The federal agency also pointed out that New York State was relieved of its requirement to provide 25% in matching funds - or \$1.6 billion.

On Monday, agency chief Joe Allbaugh reaffirmed to a Pataki aide "that right now, funding for hazard mitigation is at 5%," Michalski said.

But Czwartacki said yesterday, "We just want to see a plan on how that money will be spent, and that number can move."

The supplement is intended to beef up structures to guard against a repeat disaster.

In the Oct. 18 letter, Pataki aide Edward Jacoby wrote, "There is a great need to implement blast resistant structural mitigation and nonstructural terrorism measures . . . in a city that serves 12 million people."

Rep. Carolyn Maloney (D-Manhattan) was blunt.

"I said before that if this tragedy had happened in Texas, the administration's reaction would be different - and now we have the proof," she said.