

THE WHITE HOUSE
WASHINGTON

May 7, 2001

The Speaker of the

House of Representatives

Sir:

I ask the Congress to consider the enclosed requests for FY 2002 budget amendments for the Departments of Energy, Housing and Urban Development, the Interior, Justice, Transportation, and the Treasury; the Executive Office of the President; and Federal Drug Control Programs. In aggregate, the discretionary resources proposed in my FY 2002 Budget would not be affected by these requests.

This transmittal also contains FY 2002 budget amendments for the Legislative Branch. As required by law, appropriations requests of the Legislative Branch are transmitted without change.

The details of these requests 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,

A handwritten signature in black ink, appearing to read "George W. Bush". The signature is written in a cursive style with a large, sweeping initial "G" and "B".

Enclosure



THE DIRECTOR

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

May 7, 2001

The President

The White House

Submitted for your consideration are requests for FY 2002 budget amendments for the Departments of Energy, Housing and Urban Development, the Interior, Justice, Transportation, and the Treasury; the Executive Office of the President; and Federal Drug Control Programs. In total, the discretionary funding proposed in the FY 2002 Budget would not be affected by these amendments.

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

Department of Energy

- An increase of \$39.2 million is requested for the Energy Supply account. The proposal is fully offset by a corresponding reduction in the Energy Conservation account. The proposed additional resources in the Energy Supply account would provide increased support for research and development of renewable energy resources in the Office of Energy Efficiency and Renewable Energy.

Under separate cover, the Secretary of Energy will communicate to the appropriations committees revised budget justifications redirecting \$10 million within the Science account and \$2.5 million within the Energy Conservation account. These revisions will better focus resources on priorities agreed to by OMB and the Secretary.

Department of the Interior

- An increase of \$30.0 million is proposed for the Save America's Treasures program. This program would provide matching grants to Federal, State, and local agencies and non-governmental organizations for the preservation of nationally significant historic sites, structures, and artifacts. This program would leverage private funding by requiring an equal match of non-Federal funds for projects to restore nationally significant historic sites, structures or artifacts. The President's Committee on the Arts and Humanities would serve as the advisory council to the Secretary of the Interior regarding funding awards. The existing partnership with the National Trust for Historic Preservation would continue in order to ensure private funding, and other partnerships would be encouraged.

The requested FY 2002 budget authority increase of \$30.0 million would be offset by a corresponding reduction in the FY 2002 Budget's proposed National Emergency Reserve.

Executive Office of the President

- A proposal is also included that would consolidate 18 separate appropriations for Executive Office of the President (EOP) agencies and accounts into a single appropriation. This proposal would give you maximum flexibility in allocating resources in support of the Office of the President to those functional areas where you place priority and require staff support. It would permit a more rapid response to changing needs and priorities to address national needs by allowing shifts of personnel and resources among the various EOP agencies, without waiting for the next budget cycle. The proposal would offer greater economies of scale, efficiencies in purchasing, and greater accountability for performance would be realized. The proposal would also permit the newly-established EOP Chief Financial Officer to better fulfill his or her responsibilities. The overall EOP funding level would remain unchanged.

Other FY 2002 Amendments

Technical amendments to your FY 2002 Budget are included in this transmittal for the Departments of Energy, Housing and Urban Development, the Interior, Justice, Transportation, and the Treasury; and Federal Drug Control Programs.

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.

In addition, this transmittal includes budget amendments for the Legislative Branch. As required by law, appropriations requests of the Legislative Branch are transmitted without change.

Sincerely,

A handwritten signature in black ink, appearing to read "M E Daniels Jr", written in a cursive style.

Mitchell E. Daniels, Jr.
Director

Enclosures

Agency: DEPARTMENT OF ENERGY
Bureau: ENERGY PROGRAMS
Heading: Energy Supply
FY 2002 Budget
Appendix Page: 404
FY 2002
Pending Request: \$505,069,000
Proposed Amendment: \$39,176,000
Revised Request: \$544,245,000

This amendment would increase the FY 2002 appropriations request for activities in the Energy Supply account that are managed by the Office of Energy Efficiency and Renewable Energy by \$39.2 million. The proposed amendment would bring the FY 2002 request for the following programs level with their FY 2001 appropriations: High-Temperature Superconductivity (an increase of \$17.8 million); Hydrogen research and development (an increase of \$13.0 million); Hydropower (an increase of \$2.5 million); and the Renewable Energy Production Incentive (an increase of \$1.9 million). The Biomass/Biofuels program would be increased to 95 percent of its FY 2001 appropriated level (an increase of \$1.5 million), and the International Renewable Energy Program will be funded at a level that permits continuation of key activities to promote renewable energy technologies in developing nations (an increase of \$2.5 million). These programs will enhance the diversity and security of America's energy supplies in the coming decades.

The proposed increase in budget authority would be offset by a decrease in the Energy Conservation account proposed in an accompanying budget amendment.

Agency: DEPARTMENT OF ENERGY
Bureau: ENERGY PROGRAMS
Heading: Naval Petroleum and Oil Shale Reserves
FY 2002 Budget
Appendix Page: 409
FY 2002
Pending Request: \$17,371,000
Proposed Amendment: Language
Revised Request: \$17,371,000

(In the appropriations language under the above heading, delete the phrase, "engineering studies to determine the cost of development, the predicted rate and quantity of petroleum recovery, the methodology, and the equipment specifications for development of Shannon Formation at Naval Petroleum Reserve 3 (NPR-3), utilizing a below-the-reservoir production method" and, insert the phrase naval petroleum and oil shale reserve activities; and delete the phrase, "the requirements of 10 U.S.C. 7430 (b)(2)(B) shall not apply to fiscal year 2002 and any fiscal year thereafter: Provided further, That,").

This proposal is necessary to reflect correctly the policy proposed in the FY 2002 Budget. Specifically, the budget proposes to fund all naval petroleum and oil shale reserve activities, and deletes the waiver of authorizing law, which was made permanent in P.L. 106-291, the Department of the Interior and Related Agencies Appropriations Act, 2001.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF ENERGY
Bureau: ENERGY PROGRAMS
Heading: Energy Conservation
FY 2002 Budget
Appendix Page: 410
FY 2002
Pending Request: \$794,981,000
Proposed Amendment: -\$39,176,000
Revised Request: \$755,805,000

This amendment would reduce the pending FY 2002 request for activities in the transportation sector of the Energy Conservation account, specifically in activities in the Office of Advanced Automotive Technologies, which support the Partnership for a New Generation of Vehicles (PNGV). The Secretary of Energy has recently reviewed this program with the U.S. auto industry and will be restructuring the program.

The proposed decrease in budget authority would fully offset the proposed increase in the Energy Supply account proposed in an accompanying budget amendment.

Agency: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Bureau: COMMUNITY PLANNING AND DEVELOPMENT
Heading: Community Development Block Grants
FY 2002 Budget
Appendix Page: 491-492
FY 2002
Pending Request: \$4,701,993,000
Proposed Amendment: Language
Revised Request: \$4,701,993,000

(In the appropriations language under the above heading, delete the paragraph beginning "Of the amount made available under this heading, \$80,000,000"; and delete the paragraph beginning "Of the amount made available under this heading, \$20,000,000".)

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2002 Budget.

The budget includes – as an item to be transmitted to the Congress at a later date – funding for Community Technology Centers and the Improving Access Initiative. Appropriations language will be transmitted to the Congress subsequent to authorization of these programs.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF THE INTERIOR
Bureau: NATIONAL PARK SERVICE
Heading: Historic Preservation Fund
FY 2002 Budget Appendix Page: 588
FY 2002 Pending Request: \$37,055,000
Proposed Amendment: \$30,000,000
Revised Request: \$67,055,0000

(In the appropriations language under the above heading, delete "\$37,055,000" and substitute \$67, 055,000; and insert immediately following "2003", of which \$30,000,000 shall be for Save America's Treasures for priority preservation projects of nationally significant sites, structures, and artifacts: Provided, That any individual Save America's Treasures grant shall be matched by non-Federal funds: Provided further, That individual projects shall be eligible for one grant, and all projects to be funded shall be approved by the Secretary of the Interior in consultation with the President's Committee on the Arts and Humanities prior to the commitment of grant funds: Provided further, That Save America's Treasures funds allocated for Federal projects shall be available by transfer to appropriate accounts of individual agencies, after approval of such projects by the Secretary of the Interior in consultation with the President's Committee on the Arts and Humanities: Provided further, That none of the funds provided for Save America's Treasures may be used for administrative expenses, and staffing for the program shall be available from the existing staffing levels in the National Park Service.)

This amendment requests \$30.0 million to continue the Save America's Treasures program, which would provide grants to Federal, State, and local agencies and non-governmental agencies for the preservation of nationally significant historic sites, structures, and artifacts.

The Save America's Treasures program would leverage private funding by requiring an equal match of non-Federal funds for projects to restore nationally significant historic sites, structures, or artifacts. The President's Committee on the Arts and Humanities would serve as the advisory council to the Secretary of the Interior regarding funding awards. The existing partnership with the National Trust for Historic Preservation would continue in order to ensure private funding, and other partnerships would be encouraged.

The requested FY 2002 budget authority increase of \$30.0 million would be offset by a corresponding reduction in the FY 2002 Budget's proposed National Emergency Reserve.

Agency: DEPARTMENT OF THE INTERIOR
Bureau: BUREAU OF RECLAMATION
Heading: Water and Related Resources
FY 2002 Budget
Appendix Page: 554
FY 2002
Pending Request: \$647,997,000
Propose Amendment: Language
Revised Request: \$647,997,000

(In the appropriations language under the above heading, delete "\$32,442,000" and substitute \$31,442,000; and delete everything after "in lieu of 'and 2001'".)

This proposal would amend the pending appropriations language to reflect correctly the policy proposed in the FY 2002 Budget. Specifically, the amendment would modify the appropriations language to reflect the correct amount proposed for transfer from the Water and Related Resources account to the Lower Colorado River Basin Development Fund. In addition, the proposal would delete two provisions that should have been marked for deletion in the language printed in the FY 2002 Budget Appendix.

This amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF JUSTICE
Bureau: FEDERAL BUREAU OF INVESTIGATION
Heading: Salaries and Expenses
FY 2002 Budget
Appendix Page: 657-658
FY 2002
Pending Request: \$3,505,859,000
Proposed Amendment: Language
Revised Request: \$3,505,859,000

(In the appropriations language under the above heading, delete the phrase "1,244 passenger motor vehicles, of which 1,080 will be for replacement only" and insert 1,354 passenger motor vehicles, of which 1,190 will be for replacement only.)

The amendment is necessary to reflect correctly the policy proposed in the FY 2002 Budget. Specifically, the amendment would modify the appropriations language to accurately reflect the proposed number of passenger motor vehicles for police use.

The amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF JUSTICE
Bureau: OFFICE OF JUSTICE PROGRAMS
Heading: State and Local Law Enforcement Assistance
FY 2002 Budget
Appendix Page: 673-674
FY 2002
Pending Request: \$2,017,726,000
Proposed Amendment: Language
Revised Request: \$2,017,726,000

(In the appropriations language under the above heading, in subsection (9)(c), remove the bracket before "10,000,000" and delete "and"; and insert a bracket in subsection (9)(d) before the phrase "\$11,000,000 shall be used exclusively for violence on college campuses".)

The amendment is necessary to reflect correctly the policy proposed in the FY 2002 Budget. The appropriations language for the Office of Juvenile Justice Delinquency Prevention's Safe Start Program was inadvertently marked for deletion in the FY 2002 Budget Appendix.

The amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF TRANSPORTATION
Bureau: FEDERAL AVIATION ADMINISTRATION
Heading: Operations
FY 2002 Budget
Appendix Page: 756
FY 2002
Pending Request: \$6,886,000,000
Proposed Amendment: Language
Revised Request: \$6,886,000,000

(In the appropriations language under the above heading, delete "\$5,758,382,000" and substitute \$5,777,219,000.)

The amendment is necessary to reflect correctly the policy proposed in the FY 2002 Budget. Specifically, the amendment corrects the amount that would be derived from the Airport and Airway Trust Fund.

The amendment would not affect the proposed budget totals.

Agency: DEPARTMENT OF THE TREASURY
Bureau: DEPARTMENTAL OFFICES
Heading: Community Development Financial Institutions
Fund Program Account

FY 2002 Budget
Appendix Page: 836

FY 2002
Pending Request: \$67,948,000

Proposed Amendment: Language

Revised Request: \$67,948,000

(In the appropriations language under the above heading, delete "2002" and substitute 2003.)

The amendment is necessary to reflect correctly the policy proposed in the FY 2002 Budget. The FY 2002 Budget proposes that the funds requested be available until September 30, 2003.

The amendment would not affect the proposed budget totals.

Agency: EXECUTIVE OFFICE OF THE PRESIDENT

Headings: Compensation of the President
White House Office – Salaries and Expenses
Executive Residence at the White House – Operating Expenses
Executive Residence at the White House – White House Repair
and Restoration
Special Assistance to the President and Official Residence of the
Vice-President – Salaries and Expenses
Special Assistance to the President and Official Residence of the
Vice-President – Operating Expenses
Council of Economic Advisers – Salaries and Expenses
Council on Environmental Quality and Office of Environmental
Quality
Management Fund, Office of Environmental Quality
Office of Policy Development – Salaries and Expenses
National Security Council – Salaries and Expenses
Office of Administration – Salaries and Expenses
Armstrong Resolution – Armstrong Resolution Account
Office of Management and Budget – Salaries and Expenses
Office of National Drug Control Policy – Salaries and Expenses
Office of Science and Technology Policy – Office of Science and
Technology Policy
Office of the United States Trade Representative – Salaries and
Expenses
Unanticipated Needs – Unanticipated Needs

FY 2002 Budget
Appendix Page: 957-967

FY 2002
Pending Requests: Compensation of the President: \$450,000
White House Office – Salaries and Expenses: \$54,165,000
Executive Residence at the White House – Operating Expenses:
\$11,914,000
Executive Residence at the White House – White House Repair
and Restoration: \$8,625,000
Special Assistance to the President and Official Residence of the
Vice-President – Salaries and Expenses: \$3,896,000

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Special Assistance to the President and Official Residence of the Vice-President – Operating Expenses: \$314,000
Council of Economic Advisers – Salaries and Expenses: \$4,192,000
Council on Environmental Quality and Office of Environmental Quality: \$2,974,000
Management Fund, Office of Environmental Quality: 0
Office of Policy Development – Salaries and Expenses: \$4,119,000
National Security Council – Salaries and Expenses: \$7,447,000
Office of Administration – Salaries and Expenses: \$46,032,000
Armstrong Resolution – Armstrong Resolution Account: 0
Office of Management and Budget – Salaries and Expenses: \$70,521,000
Office of National Drug Control Policy – Salaries and Expenses: \$25,100,000
Office of Science and Technology Policy – Office of Science and Technology Policy: \$5,267,000
Office of the United States Trade Representative – Salaries and Expenses: \$30,097,000
Unanticipated Needs – Unanticipated Needs: \$1,000,000

Proposed Amendment: \$276,113,000 as a single appropriation for the above entities.

Revised Request: \$276,113,000

(Insert the appropriations language that follows in the appropriate place.)

EXECUTIVE OFFICE OF THE PRESIDENT

For the Executive Office of the President, \$276,113,000, including compensation of the President, including an expense allowance of \$50,000, as authorized by 3 U.S.C. 102; for travel expenses of \$100,000 as authorized by 3 U.S.C. 103; for necessary expenses for the White House as authorized by law; for the necessary expenses of the Executive Residence at the White House as authorized by 3 U.S.C. 105; including not less than \$4,210,000 for necessary expenses for the Vice President as authorized by 3 U.S.C. 106, and for the official residence of the Vice President as authorized by law (including not to exceed \$90,000 for official entertainment expenses); for the necessary expenses of the Offices and Councils in the Executive Offices of the President (including not to exceed \$136,500 for official reception and representation expenses); and \$1,000,000 for unanticipated needs as authorized by 3 U.S.C. 108; of which the following sums shall remain available until expended: \$8,625,000 for the repair, maintenance, and continued preventative maintenance, alteration, and improvement of the Executive Residence at the White House; \$2,350,000 for the Office of National Drug Control Policy (consisting of \$1,350,000 for

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policy research and evaluation, and \$1,000,000 for the National Alliance for Model State Drug Laws); and \$1,000,000 for the Office of the United States Trade Representative: Provided, That \$11,775,000 shall be available until September 30, 2003 for a capital investment plan which provides for the continued modernization of the information technology infrastructure: Provided further, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

This proposal would consolidate 18 accounts of the Executive Office of the President (EOP) into a single annual appropriation. The proposal is designed to give the President maximum flexibility in allocating resources in support of EOP to those functional areas where the President places the highest priority and requires staff support. In addition, the proposal supports a single, integrated, financial management system in EOP, consistent with the Chief Financial Officers Act of 1990 and P.L. 106-58, the Treasury and General Government Appropriations Act of FY 2000. The proposal would also consolidate the processes of purchasing, storing, distributing, and maintaining common goods and services throughout EOP, thus supporting greater economies of scale and efficiencies in purchasing.

Funds for the President and Vice-President are distinctively treated, in recognition that they are the two constitutional officers included in the account. No authority contained in the FY 2001 Budget is omitted from the proposed language.

The appropriations language has also been streamlined. All amounts previously included within the individual accounts are deleted except those that are necessary to be provided separately, i.e., certain funds for the President, the Vice-President, multi-year funds, and official reception and representation funds. Limitations that are no longer required are deleted. Language that provides no legal authority, or is redundant of statutory authority that is contained in permanent law and does not need to be contained in an appropriations act to be effective, has been deleted.

This consolidation would not affect the proposed FY 2002 Budget totals.

The following general provisions do not contain any substantive authority that has not been provided in recurring annual provisions.

Sec. . Beginning in fiscal year 2002 and thereafter, appropriations available to the President, Vice President, and Offices and Councils in the Executive Office of the President shall be available for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105-07; the hire of passenger motor vehicles; and for the participation by the Office of National Drug Control Policy in joint projects or in the provision of services on matters of mutual interest with non-profit, research or public organizations or agencies with or without reimbursement.

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Sec. ____ . Beginning in fiscal year 2002 and thereafter, notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council on Environmental Quality shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as chairman and exercising all powers, functions, and duties of the Council.

Sec. ____ . During fiscal year 2002, the Office of National Drug Control Policy is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office.

Sec. ____ . Beginning in fiscal year 2002 and thereafter, none of the funds made available to the President for official expenses shall be expended for any other purpose and any unused portion of such funds shall revert to the Treasury pursuant to 31 U.S.C. 1552: Provided further, That no such funds shall be considered as taxable to the President.

Agency: FEDERAL DRUG CONTROL PROGRAMS

Heading: High Intensity Drug Trafficking Areas Program

FY 2002 Budget
Appendix Page: 1164

FY 2002
Pending Request: \$206,305,000

Proposed Amendment: \$45,000

Revised Request: \$206,350,000

The amendment is necessary to reflect correctly the policy proposed in the FY 2002 Budget. The FY 2002 Budget proposes a total of \$206,350,000 for the High Intensity Drug Trafficking Areas program.

The amendment would not affect the proposed budget totals.

Agency: LEGISLATIVE BRANCH
Bureau: SENATE
Heading: Salaries, Officers and Employees
FY 2002 Budget
Appendix Page: 15
FY 2002
Pending Request: \$103,664,000
Proposed Amendment: \$375,000
Revised Request: \$104,039,000

This proposal would increase the pending request by \$375,000. FY 2002 outlays would increase by the same amount.

Heading: Contingent Expenses of the Senate, Inquiries and Investigations
FY 2002 Budget
Appendix Page: 15
FY 2002
Pending Request: \$92,000,000
Proposed Amendment: \$15,263,700
Revised Request: \$107,263,700

This proposal would increase the pending request by \$15,263,700. FY 2002 outlays would increase by the same amount.

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Agency: LEGISLATIVE BRANCH
Bureau: SENATE
Heading: Contingent Expenses of the Senate, Secretary of the Senate
FY 2002 Budget
Appendix Page: 15
FY 2002
Pending Request: \$10,431,000
Proposed Amendment: -\$6,920,000
Revised Request: \$3,511,000

This proposal would decrease the pending request by \$6,920,000. FY 2002 outlays would decrease by the same amount.

Heading: Contingent Expenses of the Senate, Miscellaneous Items
FY 2002 Budget
Appendix Page: 15
FY 2002
Pending Request: \$8,655,000
Proposed Amendment: \$1,619,400
Revised Request: \$10,274,400

This proposal would increase the pending request by \$1,619,400. FY 2002 outlays would increase by the same amount.

Agency: LEGISLATIVE BRANCH
Bureau: SENATE
Heading: Contingent Expenses of the Senate, Senators' Official Personnel
and Office Expense Account

FY 2002 Budget
Appendix Page: 16

FY 2002
Pending Request: \$285,294,000

Proposed Amendment: \$200,000

Revised Request: \$285,494,000

This proposal would increase the pending request by \$200,000. FY 2002 outlays would increase by the same amount.