

THE WHITE HOUSE
WASHINGTON

June 11, 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 Department of Health and Human Services and International Assistance Programs. In aggregate, these requests would not increase the FY 2002 Budget totals.

The amendments include a proposal for a \$200 million increase in the U.S. Government's commitment to the global battle against infectious diseases. This proposal will fund a multilateral Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis to increase U.S. involvement in addressing these diseases and to leverage additional resources from international partner countries and private sector entities. These funds will support an integrated approach to prevention, treatment, and care, as well as health infrastructure development.

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 be "George W. Bush", written in a cursive style.

Enclosure



THE DIRECTOR

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

June 11, 2001

The President

The White House

Submitted for your consideration are requests for FY 2002 budget amendments for the Department of Health and Human Services and International Assistance Programs. These amendments would not increase your proposed budget totals.

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

International Assistance Programs

- An increase of \$200 million in budget authority (\$100 million in direct appropriations and \$100 million to be derived by transfer) is requested for a new Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis. These funds will support the development of a multilateral trust fund that will leverage additional international resources for prevention, treatment, and care activities for HIV/AIDS, malaria, and tuberculosis.

The increased funding is financed by transfer and reduction proposals transmitted in this package, including the following:

Department of Health and Human Services (HHS)

- a \$70 million transfer of resources from buildings and facilities activities in the National Institutes of Health;
- a \$25 million transfer of resources from the National Institute of Allergy and Infectious Diseases in the National Institutes of Health; and
- a \$5 million transfer from general departmental management activities in the Office of the Secretary.

International Assistance Programs

- reductions totaling \$40 million in the Economic Support Fund (\$35 million in budget authority and \$5 million in unobligated balances of prior-year authority);
- reductions totaling \$40 million in the Child Survival and Diseases Programs Fund (\$20 million in budget authority and \$20 million in unobligated balances of prior-year authority);
- a \$15 million reduction in Peacekeeping Operations; and
- a \$5 million reduction in Assistance to Eastern Europe and the Baltic States.

The proposed transfers from HHS and reductions in International Assistance Programs would not affect individual program goals or objectives.

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 "M E Daniels Jr". The signature is written in a cursive style with a large, stylized "J" at the end.

Mitchell E. Daniels, Jr.
Director

Enclosures

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Heading: GENERAL PROVISIONS

FY 2002 Budget
Appendix Page: 480

FY 2002
Pending Request: -----

Proposed Amendment: Language

Revised Request: -----

(In the appropriations language under the above heading, insert the language that follows after Section 215.)

Sec. 216. The following amounts, appropriated in this title, shall be transferred to International Assistance Programs, "Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis," to remain available until expended: from National Institutes of Health, "National Institute of Allergy and Infectious Diseases," \$25,000,000; from National Institutes of Health, "Buildings and Facilities," \$70,000,000; and from Departmental Management, "General Departmental Management," \$5,000,000.

This proposed general provision would transfer a total of \$100 million to the Global Fund, as part of the Department of Health and Human Services' (HHS') contribution to the Federal Government's multilateral efforts to fight the spread of infectious diseases worldwide. Specifically, the provision would transfer: \$25 million from the National Institute of Allergy and Infectious Diseases; \$70 million from buildings and facilities activities in the National Institutes of Health; and \$5 million from HHS' general departmental management activities previously requested for the security of systems and assets used in bio-terrorism prevention and response.

These transfers would help finance the \$200 million U.S. Government investment in this multilateral trust fund, proposed in an accompanying budget amendment.

Taken together with this amendment and other amendments in this transmittal, the proposed initiative funding would not increase the FY 2002 Budget totals.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS
Bureau: INTERNATIONAL SECURITY ASSISTANCE
Heading: Economic Support Fund
FY 2002 Budget
Appendix Page: 999
FY 2002
Pending Request: \$2,289,000,000
Proposed Amendment: -\$35,000,000
Revised Request: \$2,254,000,000

(In the appropriations language under the above heading, delete "\$2,289,000,000" and substitute \$2,254,000,000. Also, insert the following as a new paragraph at the end, Unobligated balances available under this heading are reduced by \$5,000,000.)

This amendment would decrease the pending FY 2002 request for the Economic Support Fund (ESF) by \$35 million. This reduction includes \$25 million from Policy Initiatives, \$5 million from the Accelerated Economic Recovery in Asia program, and \$5 million from the Countries in Transition program. These reductions to the pending FY 2002 request would not affect program goals or objectives.

This amendment would also reduce the unobligated balances in ESF by \$5 million in FY 2002 for the Countries in Transition program. This reduction in balances would not seriously impact program operations.

This decrease would help finance the \$200 million U.S. Government investment in the new Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis, proposed in an accompanying budget amendment.

Taken together with this amendment and other amendments in this transmittal, the proposed initiative funding would not increase the FY 2002 Budget totals.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS
Bureau: INTERNATIONAL SECURITY ASSISTANCE
Heading: Peacekeeping Operations
FY 2002 Budget
Appendix Page: 1002
FY 2002
Pending Request: \$150,000,000
Proposed Amendment: -\$15,000,000
Revised Request: \$135,000,000

This amendment would decrease the pending FY 2002 request for Peacekeeping Operations by \$15 million, of which \$10 million would be from Africa regional programs and \$5 million would be from the Africa Crisis Response Initiative. The activities supported by these resources could be reduced in FY 2002 without serious programmatic impact.

This decrease would help finance the \$200 million U.S. Government investment in the new Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis, proposed in an accompanying budget amendment.

Taken together with this amendment and other amendments in this transmittal, the proposed initiative funding would not increase the FY 2002 Budget totals.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS

Bureau: MULTILATERAL ASSISTANCE

FY 2002 Budget
Appendix Page: 1013

FY 2002
Pending Request: -----

Proposed Amendment: \$100,000,000
Portion Derived by
Transfer: \$100,000,000

Revised Request: \$200,000,000 (initiative total)

(Insert the appropriations language that follows after the material under the heading "International Affairs Technical Assistance".)

GLOBAL FUND TO FIGHT HIV/AIDS, MALARIA, AND TUBERCULOSIS

For a contribution by the President to a global trust fund to fight HIV/AIDS, malaria, and tuberculosis, \$100,000,000, to remain available until expended: Provided, That the President is hereby authorized to make such contribution on such terms and conditions as he may determine.

This amendment would provide \$100 million for a new multilateral Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis to increase U.S. involvement in assisting in the global battle against HIV/AIDS, malaria, and tuberculosis. An additional \$100 million would be derived by transfer from the National Institute of Allergy and Infectious Diseases and the buildings and facilities activities in the National Institutes of Health and the Department of Health and Human Services' general departmental management activities.

This initiative would also enable the United States to leverage additional resources from international partner countries and private sector entities. These funds would support an integrated approach to prevention, treatment, and care as well as health infrastructure development.

This \$200 million requested for this initiative is offset by reductions and transfers proposed in accompanying budget amendments. Taken together, these amendments would not increase the proposed budget totals.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS
Bureau: AGENCY FOR INTERNATIONAL DEVELOPMENT
Heading: Child Survival and Disease Programs Fund
FY 2002 Budget
Appendix Page: 1017-1018
FY 2002
Pending Request: \$1,011,000,000
Proposed Amendment: -\$20,000,000
Revised Request: \$991,000,000

(In the appropriations language under the above heading, delete "\$1,011,000,000" and substitute \$991,000,000. Also, insert the following as a new paragraph at the end, Unobligated balances available under this heading are reduced by \$20,000,000.)

This amendment would reduce the pending FY 2002 request for the Child Survival and Disease Programs Fund by \$20 million. This amendment would also reduce the prior-year unobligated balances in the Fund by \$20 million in FY 2002. These amounts had already been specifically identified for a contribution to a multilateral HIV/AIDS trust fund; therefore, this reduction would not impact program operations.

This decrease would help finance the \$200 million U.S. Government investment in the new Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis, proposed in an accompanying budget amendment.

Taken together with this amendment and other amendments in this transmittal, the proposed initiative funding would not increase the FY 2002 Budget totals.

Agency: INTERNATIONAL ASSISTANCE PROGRAMS
Bureau: AGENCY FOR INTERNATIONAL DEVELOPMENT
Heading: Assistance for Eastern Europe and the Baltic States
FY 2002 Budget
Appendix Page: 1019
FY 2002
Pending Request: \$610,000,000
Proposed Amendment: -\$5,000,000
Revised Request: \$605,000,000

This amendment would decrease the pending FY 2002 request for Assistance for Eastern Europe and the Baltic States for regional programs by \$5 million. This reduction would have no serious programmatic impact.

This decrease would help finance the \$200 million U.S. Government investment in the new Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis, proposed in an accompanying budget amendment.

Taken together with this amendment and other amendments in this transmittal, the proposed initiative funding would not increase the FY 2002 Budget totals.