

THE WHITE HOUSE

WASHINGTON

February 12, 2002

Dear Mr. Speaker:

In furtherance of the provisions of P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001, today I am notifying Congress of my intent to reallocate funds previously transferred from the Emergency Response Fund. These reallocations reflect revised priorities in light of changing national security and homeland security needs in the wake of the terrorist attacks of September 11, 2001.

As provided in P.L. 107-38, \$220 million will be made available 15 days from the date of this transmittal for the government of Pakistan and \$39.8 million will be made available immediately for International Assistance Programs and the Department of the Treasury.

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 observations.

Sincerely,

A handwritten signature in black ink, appearing to be "G. W. Bush", written in a cursive style.

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

February 12, 2002

The President

The White House

Submitted for your consideration are requests to revise the allocation of certain 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 (the Act). These requests would reallocate funds previously transferred to the Departments of Defense (DOD) and State from the Emergency Response Fund (ERF) and now transfer those funds to International Assistance Programs to provide assistance to our allies in the war on terrorism. In addition, funds would be reallocated within the Department of the Treasury to meet changing homeland security needs.

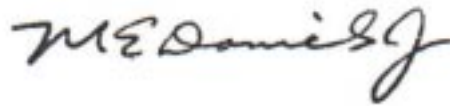
Your November 9th request to the Congress transferred funds to DOD to pursue the war on terrorism and to the State Department to increase security at its Washington, D.C. headquarters. The Administration now believes that a portion of these funds would be better used to provide assistance to Pakistan and Israel, as allies in the war on terrorism. Specifically:

- This proposal would reallocate \$188 million from DOD and \$32 million from the State Department to compensate the government of Pakistan for costs incurred in aiding U.S. military forces in Operation Enduring Freedom. Pursuant to the Act, these funds would be available 15 days after the transmittal of this request.
- This proposal would also reallocate \$28 million from DOD to assist Israel in its efforts to combat and prevent terrorism. Pursuant to the Act, this funding would be available immediately.

In addition, your September 21st request transferred \$14.7 million to the U.S. Customs Service to provide air support for counterterrorism activities. However, homeland security priorities have shifted since the days immediately following the September 11th attacks and, of the amount originally transferred, \$11.8 million is no longer needed for this purpose. In order to continue to protect our Nation's borders, we propose that the Customs Service use these funds to reimburse the National Guard for its role in protecting the northern border.

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 your approval of the transfers described in the enclosure.

Sincerely,

A handwritten signature in dark ink, appearing to read "ME Daniels Jr", written in a cursive style.

Mitchell E. Daniels, Jr.
Director

Enclosure

**EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED TO
BE TRANSFERRED BY THE PRESIDENT FROM
THE EMERGENCY RESPONSE FUND**

Available Immediately:

International Assistance Programs

International Security Assistance
Nonproliferation, Anti-terrorism, Demining and Related Programs . . . \$28,000,000

These funds will provide bomb disposal and explosive detection equipment to the government of Israel.

Department of the Treasury

U.S. Customs Service
Salaries and Expenses \$11,800,000

These funds will pay for National Guard personnel to assist Customs officials in the inspection of vehicles and cargo at the northern border.

Available After 15 Days:

International Assistance Programs

International Security Assistance
Peacekeeping Operations \$220,000,000

These funds will compensate the government of Pakistan for costs incurred while supporting Operation Enduring Freedom and U.S. forces in the war on terrorism.