

THE WHITE HOUSE

WASHINGTON

May 21, 2002

Dear Mr. Speaker:

I ask the Congress to consider the enclosed request for an FY 2002 supplemental appropriation for the Department of Veterans Affairs (VA). This request is for an increase in the mandatory cost of disability compensation and pension benefits for veterans.

During the current year, VA has made dramatic improvements processing claims, significantly accelerating the rate of payments. This supplemental request for \$1.1 billion is needed to help pay the benefits associated with reducing the backlog of claims from previous years. Absent this adjustment, there would be insufficient funds in September to pay the 2.5 million veterans who are entitled to benefits.

This transmittal also contains requests for FY 2002 supplemental appropriations for the legislative branch. As a matter of comity, appropriations requests of the Legislative Branch are transmitted without change.

Furthermore, in accordance with provisions of P.L. 107-63, the Department of the Interior and Related Agencies Appropriations Act, 2002, I hereby request and make available \$54.0 million in emergency appropriations for the Department of the Interior's Bureau of Land Management. These emergency funds will be used to undertake necessary rehabilitation projects on lands damaged by wildland fires and to support fire suppression activities. I hereby designate this amount as an emergency requirement in accordance with section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

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 "J. Hastert", with a large, stylized flourish at the end.

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

May 21, 2002

The President

The White House

Submitted for your consideration are requests for FY 2002 supplemental appropriations for the Department of Veterans Affairs (VA) and the Legislative Branch, as well as a request to make available previously appropriated contingent emergency funds for the Department of the Interior (DOI).

FY 2002 Supplementals

The FY 2002 supplemental request for VA would provide an additional \$1.1 billion, which is necessary to ensure payment of mandatory disability compensation and pension benefits to veterans and their families. Accelerating the consideration of backlog claims necessitates this technical change and does not affect the discretionary spending cap and is not subject to pay-as-you-go requirements.

The FY 2002 Budget anticipated a higher number of payments because of your initiative to speed up the processing time for veterans' disability claims: VA performance has exceeded those expectations. When a new disability or pension claim is approved the veteran receives a monthly check and a lumpsum retroactive check for all payments back to the date that the claim was initially submitted. The retroactive lumpsum payments, as well as the new monthly benefits to be paid are now estimated to be \$1.1 billion more than anticipated. Absent this adjustment, there would be insufficient funds in September to pay the benefits of 2.5 million veterans.

This request draws attention to a requirement for legislative action. Your FY 2003 Budget requested an appropriation for an indefinite amount for VA's entitlement programs similar to the treatment of other mandatory programs. Indefinite appropriations language for VA's disability compensation, pension, burial, education, insurance, and vocational rehabilitation programs would eliminate the need for future incremental appropriations and ensure that veterans promptly receive the benefits this Nation owes them.

This transmittal also contains requests for FY 2002 supplemental appropriations, totaling \$7.9 million, for the Legislative Branch. As required by law, appropriation requests for the Legislative Branch are transmitted without change.

Emergency Designation

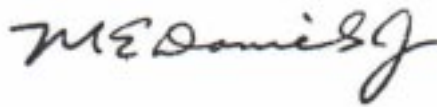
Title I of P.L. 107-63, the Department of the Interior and Related Agencies Appropriations Act, 2002, provided \$54.0 million in contingent emergency funding to DOI's Bureau of Land Management to address wildland firefighting needs. Your approval of this request would make these funds available for emergency fire suppression and burned area rehabilitation.

I recommend that you designate this request for \$54.0 million as an emergency requirement in accordance with section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. No further congressional action will be required.

Recommendation

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretaries of the Departments of the Interior and Veterans Affairs in recommending that you transmit these proposals to the Congress.

Sincerely,

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

Mitchell Daniels, Jr.
Director

Enclosures

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

Compensation and Pensions

For an additional amount for "Compensation and Pensions," \$1,100,000,000, to remain available until expended.

This proposal would provide an additional \$1.1 billion to ensure payment of mandatory disability compensation and pension benefits to veterans and their families. Dramatic improvements in processing of older claims, and the associated number of back payments, have resulted in more claims than projected for FY 2002. Absent this adjustment, there would be insufficient funds to pay all of these mandatory benefits for the remainder of the current fiscal year.

LEGISLATIVE BRANCH
GOVERNMENT PRINTING OFFICE

Congressional Printing and Binding

For an additional amount for "Congressional Printing and Binding," \$5,875,000.

This request would support unanticipated Congressional Printing and Binding funding requirements based on current workload. This activity provides information products and services requested by, and delivered to, the Congress.

LEGISLATIVE BRANCH

GOVERNMENT PRINTING OFFICE

Government Printing Office Revolving Fund

For payment to the "Government Printing Office Revolving Fund," for remediation of asbestos in Government Printing Office buildings, \$2,000,000, to remain available until expended.

This request would provide \$2.0 million to fund asbestos abatement in Government Printing Office buildings. This is necessary to ensure the safety of employees and members of the public and to comply with standards requiring the abatement of friable asbestos.

**EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED
MADE AVAILABLE BY THE PRESIDENT**

Department of the Interior (DOI)

Bureau of Land Management
Wildland Fire Management.....\$54,000,000

Title I of P.L. 107-63, the Department of the Interior and Related Agencies Appropriations Act, 2002, provided \$54.0 million to DOI for emergency wildland firefighting needs. The availability of this funding was contingent upon the President submitting a budget request to the Congress and designating the entire \$54.0 million as an emergency requirement. The President has designated this amount as an emergency requirement, making the funds available for emergency fire suppression and burned area rehabilitation.