

THE WHITE HOUSE

WASHINGTON

July 17, 2002

Dear Mr. Speaker:

In furtherance of provisions of Public Law 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 within the Department of Defense previously transferred from the Emergency Response Fund.

This reallocation reflects revised requirements in light of changing security needs. At this time, \$69 million will be made available immediately for classified and operational needs.

The details of this action are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with the attached comments and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Hastert", is written over a faint rectangular stamp.

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

July 16, 2002

The President

The White House

Submitted for your consideration is a request 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. This request would reallocate funds within the Department of Defense (DOD) previously transferred from the Emergency Response Fund (ERF) on September 21, 2001.

Of the ERF resources currently allocated to DOD's enhanced force protection, the Administration now proposes to reallocate \$69 million to other activities in light of changed security needs: \$29 million to finance the unexpectedly high demand for the airlift of equipment and personnel in support of Operation Enduring Freedom, and \$40 million to support operations in a classified program. Pursuant to P.L. 107-38, these funds would be available immediately.

I have carefully reviewed this proposal and am satisfied that it is necessary at this time. Therefore, I join the Secretary of Defense in recommending your approval of the requested reallocation.

Sincerely,

A handwritten signature in black ink, reading "M E Daniels Jr", is positioned below the "Sincerely," text.

Mitchell E. Daniels, Jr.
Director

Enclosure

**REALLOCATION OF AMOUNTS PREVIOUSLY APPROPRIATED AND
TRANSFERRED FROM THE EMERGENCY RESPONSE FUND**

Department of Defense -- Military.....\$29,000,000

The funds will enable the Department of Defense (DOD) to meet unexpectedly high demand for the airlift of equipment and personnel in support of Operation Enduring Freedom.

Department of Defense -- Military.....\$40,000,000

These funds will be used to support operations in a classified program.