

# Report for Congress

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## **Supplemental Appropriations for FY2002: Combating Terrorism and Other Issues**

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# Supplemental Appropriations for FY2002: Combating Terrorism and Other Issues

## Summary

On March 21, 2002, President Bush requested \$27.1 billion in emergency supplemental funding to continue the war on terrorism and provide additional assistance for New York City and aviation security as well as other homeland security needs. If enacted, this second emergency supplemental would bring total emergency funding dedicated to combating terrorism since the September 11, 2001 to \$67.1 billion. With the \$1.3 billion FY2002 supplemental request for Pell grants in the President's February budget, the Administration's request is \$28.4 billion.

Although there is broad congressional support for the new supplemental, Congress has been debating the total spending level, the amount for homeland security, and whether to add budget ceilings for FY2003, as well as other policy issues. As passed by the House, H.R. 4775 (H.Rept. 107-480) totaled \$28.8 billion, or about \$400 million above the request. Using Congressional Budget Office (CBO) scoring, however, the House bill total is \$30.1 billion compared to \$31.5 billion in the Senate-passed bill. The Senate bill is \$3.1 billion above the request.

The chief funding differences between the two houses' bills are in the amounts provided for defense and homeland security. The House bill is \$1.8 billion above both the request and the Senate bill for the Department of Defense, and the Senate bill is \$3 billion above the House bill and the Administration's request for homeland security. The House bill also provides \$550 million less than either the Administration's request or the Senate bill for aviation security. Both bills add funding for election reform (\$450 million), HIV/AIDS (\$200 million), and assistance to Israel (\$200 million) and Palestine (\$50 million) that was not included in the Administration's request.

After returning from the July 4<sup>th</sup> recess, the conferees met and agreed to a total of \$30.4 billion in spending. The Administration, however, threatened to veto any bill that exceeded \$28.8 billion, a demand that rankled House and Senate Appropriations leaders in both parties, and led to cancellation of a planned conference. OMB Director Mitch Daniels also suggested that the Administration was considering cutting the request to \$18 billion, contending that it might be difficult to spend all the funds in the remaining months of FY2002.

After the House rejected a new \$28.8 billion compromise offered by Senate appropriators, House appropriators developed their own package totaling \$28.9 billion. That package, which appears to be acceptable to the Administration, is the conference version of H.R. 4775 and is expected to reach the floor in both houses early next week. The conference version of the bill includes \$14.5 billion for DOD, \$6.7 billion for homeland security, \$5.5 billion for assistance to New York, \$2.1 billion for foreign assistance and embassy security, \$1 billion for Pell grants, and \$400 million for election administration reform. New items in this version include over \$200 million for disaster assistance for fires and floods, and \$205 million for AMTRAK.

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# Supplemental Appropriations for FY2002: Combating Terrorism and Other Issues

## Most Recent Developments

*Floor action on the conference version of the FY2002 supplemental is expected on Tuesday, July 23<sup>rd</sup>, 2002 and the conference report (as yet unnumbered) is to be filed by midnight July 19, 2002. On July 18, House and Senate negotiators agreed to a \$28.9 billion spending package that meets the Administration's spending goals and resolves differences between the two houses. Put together by House appropriators, this version was developed after a Senate compromise package was rejected by the House earlier in the week.*

*The conference version of the bill includes \$14.5 billion for the Department of Defense, \$6.7 billion for homeland security, \$5.5 billion for assistance to New York, \$2.1 billion for foreign assistance and embassy security, \$1 billion for Pell grants, and \$400 million for election administration reform. In addition, the conference bill adds over \$200 million for disaster assistance for fires and floods, and \$205 million for AMTRAK.*

*The conference version also splits the bill into two parts, with almost \$24 billion in spending designated by both Congress and the Administration as emergency spending while the remaining \$5 billion in funding that was not requested by the Administration is designated as a contingent emergency. If the President wishes to spend any of that funding, all of the \$5 billion must be designated as emergency funding and spent. The \$5 billion portion includes about \$500 million in additional DOD funding, \$400 million for veterans' medical care, and about \$1 billion for foreign assistance including aid for Israel and HIV/AIDS funding.*

*Passage of the FY2002 supplemental was delayed by a dispute between the Administration and Congress, and between the two houses, over the total spending level and the mix of spending in the bill. A \$30.4 billion package that was agreed to by Congressional appropriators in early July was rejected by the President. OMB Director Mitch Daniels said that the Administration would veto any bill exceeding \$28.8 billion, and suggested that the Administration was considering cutting the request to as low as \$18 billion arguing that not all of the funding could be easily spent in FY2002. A \$28.8 billion package, developed by Senate appropriators from both parties in mid-July, was rejected by House appropriators.*

*The supplemental package was developed to fund continuing costs of the war on terrorism and provide additional resources for homeland security and economic revitalization activities in response to the terrorist attacks on September 11, 2001.*

## Introduction

Submitted on March 21, 2002 as an emergency supplemental request to combat terrorism, most of the Administration's \$28.4 billion request is not subject to the budget ceilings that apply to FY2002. The Administration's request is split almost evenly between the Department of Defense (DOD) (\$14.0 billion) and other agencies (\$14.4 billion). Like the Emergency Terrorism Response (ETR) supplemental, the first supplemental to combat terrorism, the FY2002 request would provide additional funding for the war in Afghanistan, New York City, and airport security. Other policy priorities, such as bioterrorism and investigative activities, receive less emphasis in this request. The Administration also includes new funding proposals and policy provisions in foreign assistance.

On the defense side, the request includes \$14 billion to continue support of the war in Afghanistan, enhance security at defense installations, increase munition stockpiles, and upgrade command, control, communications and intelligence. Over half of DOD's request is related to continued prosecution of the war in Afghanistan. Like the first supplemental to combat terrorism, the DOD request includes substantial funding for intelligence and classified programs.

The Administration is requesting general provisions that would grant the Department of Defense new authorities to select the recipients and administer up to \$580 million in funds that could be used to support foreign governments who play a significant role in assisting the U.S. in the "global war on terrorism."<sup>1</sup> These proposed authorities, which would set new precedents, have generated some controversy on the Hill.

On the non-defense side, the request provides \$5.5 billion in additional aid for New York, whose needs were considered by some Members of Congress to have been shortchanged in the first emergency supplemental. The \$5.5 billion included in the request is intended to fulfill the President's March 10, 2002 pledge to the new Mayor of New York, Michael Bloomberg, to provide New York City with a total of \$21.5 billion to help it recover from the terrorist attacks.<sup>2</sup> The New York aid would be dedicated to additional disaster recovery activities, rebuilding mass transit and utility infrastructure, and community development block grants.

Finally, another potential arena for controversy may be the Administration's request for \$4.4 billion for the newly established Transportation Security Administration (TSA) to upgrade aviation security where there remains considerable uncertainty about the extent of the funding needed, as well as the size of the new federal workforce required to provide the augmented airport security.

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<sup>1</sup> Department of Defense, *FY2002 Supplemental Request to Continue the Global War on Terrorism*, March 2002, see pages 18, 26, and 28; for web site access, see [[http://www.dtic.mil/comptroller/fy2003budget/fy2002\\_supp.pdf](http://www.dtic.mil/comptroller/fy2003budget/fy2002_supp.pdf)]

<sup>2</sup> Raymond Hernandez, "Bush Reassures New Yorkers on Aid Package," *New York Times*, March 8, 2002.

## Composition of FY2002 Emergency Supplemental Request

Of the \$28.4 billion request by the Administration, 49% would be provided to the Department of Defense (DOD) with the remaining \$14.4 billion split among non-defense agencies (see **Table 1**), including the Administration's request of \$1.3 billion for Pell grants.

### The Distribution of Funds by Agency

As discussed below, the funds requested by the Administration would not only support the continued prosecution of the war in Afghanistan and related areas for the remainder of the year, but also homeland security activities. Such activities include maintaining higher security levels at stateside bases and combat air patrols on both coasts, and building up DOD's stocks of precision guided munitions and enhancing various command, control, communications and classified programs (see below).

The major changes to the Administration's request shown in **Table 1** are discussed below and in the sections on congressional action.

For non-defense agencies, under the Administration's request, the Transportation Department would receive \$6.6 billion, a quarter of the total request to pay for new explosive detection equipment and civilian guards at airports and to rebuild public mass transportation in New York City.<sup>3</sup> Funding requests for the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD) are also part of the aid for New York City. The Labor Department's request is for aid for dislocated workers. The Administration's request also includes \$1.6 billion for the State Department and USAID for various foreign assistance initiatives, focused primarily on those countries deemed to be "front-line" states in the war against terrorism. The Administration's February budget also included \$1.3 billion for Pell grants that was to be offset by rescissions in the Labor, HHS funding.<sup>4</sup>

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<sup>3</sup> FEMA grants would also help rebuild mass transportation; see below.

<sup>4</sup> The Administration requested \$1.276 billion for Pell grants as a non-emergency FY2002 supplemental in the FY2003 budget, and proposed that the full amount be offset by cutting all funding for the Departments of Labor, Health and Human Services and Education that was added by Congress last year. The higher funding for Pell grants was not part of the FY2002 emergency supplemental request to Congress that was submitted on March 21, 2002.

**Table 1. Allocations of Funds in FY2002 Emergency Supplemental to Combat Terrorism by Agency**  
(in billions of dollars of discretionary budget authority)

Department/ Agency Totals	Admin. Request	House action	Senate action	Enacted
<b>Total Supplemental/a/</b>	<b>\$28.4</b>	<b>\$28.8</b>	<b>\$31.5</b>	-
<b>Defense subtotal</b>	<b>\$14.0</b>	<b>\$15.8</b>	<b>\$14.0</b>	-
<b>Non-defense subtotal</b>	<b>\$14.4</b>	<b>\$13.0</b>	<b>\$17.5</b>	-
Transportation	\$6.6	\$5.1	\$7.4	-
FEMA	\$3.1	\$2.9	\$3.5	-
Dept. of Education/a/	\$1.3	\$1.0	\$1.0	-
Foreign Ops	\$1.1	\$1.6	\$1.5	-
Labor	\$0.8	\$0.3	\$0.4	-
HUD	\$0.7	\$0.2	\$0.4	-
State	\$0.3	\$0.3	\$0.2	-
VA/b/	\$0.1	\$0.4	\$0.4	-
Justice	\$0.1	\$0.4	\$0.9	-
HHS	(\$0.1)	\$0.0	\$0.4	-
Agriculture	\$0.1	(\$0.4)	\$0.4	-
Exec. Off. Of Pres.	\$0.0	\$0.4	\$0.0/c/	-
Dept. of Energy	\$0.0	\$0.4	\$0.3	-
EPA	\$0.0	\$0.0	\$0.1	-
Commerce	\$0.0	\$0.0	\$0.1	-
Other non-defense/d/	\$0.2	\$0.3	\$0.4	-

**Notes:**

<sup>a</sup> Includes supplemental request for Pell grants in Administration's FY2003 budget.

<sup>b</sup> Excludes \$1.4 billion increase in mandatory spending for VA disability claims that was requested by the Administration on May 21, 2002, and included by the Senate.

<sup>c</sup> Funding of \$5 million in the Senate bill for the Office of Homeland Security is available only with establishment of the position of Director of Homeland Security, to be appointed by the President and approved by the Senate; see Section 1102 of H.R. 4775 as passed by the Senate.

**Sources:** Letter of President George Bush to Speaker of the House, J. Dennis Hastert, transmitting the FY2002 Emergency Supplemental request, March 21, 2002, available on GPO's Web site at [<http://w3.access.gpo.gov/usbudget/fy2003/amndsup.html>], H.R. 4775 as passed by the House and Senate, H.Rept. 107-480 and S.Rept. 107-156, and CRS calculations. Totals may not add due to rounding.

## The Administration's Request by Policy Priorities

Funding proposed in the FY2002 supplemental can be grouped into several major categories for purposes of identifying and understanding significant policy priorities and how these priorities continue or depart from resource allocations enacted last year in the FY2001 Emergency Terrorism Response (ETR) supplemental. Major policy priorities are defined in the text box below, and **Table 2** shows the amounts requested for each policy area in the Administration's request and compares them with the ETR supplemental and with House and Senate action.

**Similarities Between FY2002 Request and ETR.** Both emergency supplementals emphasize defense and recovery needs, with physical security of infrastructure and aviation close behind. Although DOD would receive substantial funding in both the Emergency Terrorism Response (ETR) supplemental of 2001 and the new supplemental, DOD's share in the FY2002 request is almost 10 percentage points more than in the enacted level of the FY2001 supplemental. (Congress decreased the Administration's request for DOD in the FY2001 supplemental from 53% to 43% of the total, partly in anticipation of a second supplemental for additional costs of the war.)<sup>5</sup> The purposes for the DOD funding are also similar – prosecuting the war, enhancing security at military bases, and investing more in surveillance and reconnaissance, also referred to as command, control, and communication programs.

Both supplementals also target substantial resources for the recovery needs of New York City. The second supplemental places greater emphasis on aviation security, reflecting the cost of carrying out new security standards enacted after the attacks.

**Differences Between FY2002 Request and ETR.** Because much of the funding was provided in the wake of the attacks, the second supplemental includes less monies than in the first supplemental for victim relief and for investigation and law enforcement efforts to unravel terrorist networks. The second supplemental also includes somewhat more for foreign aid, but would distribute it in much larger proportions for security assistance rather than for humanitarian relief activities as was the case in the ETR supplemental. This reflects the Administration's priority to aid front-line states, including Pakistan, Jordan, and others who are cooperating with U.S. efforts to combat terrorism. (see below).

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<sup>5</sup> See CRS Report RL31187, *Combating Terrorism: 2001 Congressional Debate on Emergency Supplemental Allocations*, by Amy Belasco and Larry Nowels, March 20, 2002, p. 9 and p. 19.

### **Spending Category Definitions**

**Defense** – paying for military operations in Afghanistan and related areas, activating reservists for base security as well as wartime responsibilities, enlarging munitions stockpiles and more reconnaissance and surveillance, repair, and renovation of the Pentagon, and support for nations working with the U.S. to combat terrorism worldwide.

**Bioterrorism** – countering potential biological, disease, and chemical threats to civilian populations.

**Humanitarian Assistance** - USAID operations in Afghanistan, and food and refugee relief in Central Asia.

**International Security Assistance** - Economic Support Fund (ESF) grants and financing of sales of U.S. military equipment and support of counter narcotics and law enforcement activities to “front-line” states cooperating with the U.S. in the war on terrorism, and peacekeeping operations in Afghanistan.

**Investigation and Law Enforcement** – agency investigative and law enforcement work and initiatives following the September 11 attacks.

**Preparedness** – training, technical assistance and other activities aimed at strengthening the capacity to respond to future terrorist events.

**Public Diplomacy** – enhanced U.S. broadcasts and media outreach capabilities to the people in Central and Southwest Asia.

**Recovery** – debris removal, repair, replacement, or rebuilding of damaged equipment and infrastructure (including utilities and mass transit), and relocation of dislocated offices and workers (excluding Pentagon repairs).

**Security of Infrastructure/Personnel** – strengthened security at critical U.S. facilities worldwide (excluding DOD facilities) and evacuation of overseas personnel.

**Security of Aviation Facilities** – enhanced security at U.S. airports and on-board aircraft (excluding DOD funding to station National Guard personnel at airports).

**Victim Relief** – assistance to individuals, families, and businesses directly and indirectly affected by the September 11 attacks.

### **Proposed Congressional Funding by Policy Priorities**

As of the completion of floor action, both the House and the Senate propose significant changes to the policy priorities reflected in the Administration’s request as well as the total amount of funding. With a total of \$28.8 billion, the House bill is about \$350 million above the Administration’s request and reflects a similar mix of policy priorities. At \$31.5 billion, the Senate bill is \$3 billion higher than the Administration’s request and reflects significantly different policy choices (see **Table 2, Table 3, and Table A-2**).

Compared to the Senate bill, the House places greater emphasis on funding for defense: 55% vs. 45% of the total in the supplemental and \$1.8 billion more than requested by the Administration. This higher level primarily reflects the belief among House appropriators that the cost of activating reservists will be higher than anticipated by the Administration. Dissatisfied with the validity of the Administration's estimates of cost, the House bill reduces the Administration's request for aviation security, which the Senate funds fully.

Both houses provide higher funding levels for security, with much of the increase concentrated in enhancing security at Department of Energy facilities as well as additional funding to secure nuclear materials in the former Soviet Union (see **Table A-2**). Both houses fully fund the Administration's request for recovery funds for New York city. Although both houses provide similar shares for international security assistance, the total is \$150 million higher than the Administration's request because of additional aid for Israel and the West Bank (see foreign operations section, and **Table A-2**). Both houses also reduced the Administration's proposed funding for aid to dislocated workers (see below).

The largest difference between the houses and with the Administration is the proposed funding levels for homeland security activities. The Senate provides \$2.8 billion more than the Administration and \$2.2 billion more than the House for bioterrorism, preparedness, and security activities. That additional funding would renovate a research facility on animal pathogens (\$278 million), provide additional grants for communications and safety equipment and training for first responders, and spend additional resources on security in various agencies (see **Table A-2** in the appendix). For discussion of likely conference issues, see below.

**Table 2. Policy Priorities in the FY2002 Supplemental and the  
Emergency Terrorism Response Act**  
(percent of total)

Policy Priority	FY2002 Supplemental Request	House action /a/	Senate action /a/	Enacted	Emergency Terrorism Response supp.
TOTAL/a/	100.0%	100.0%	100.0%	-	100.0%
Bioterrorism	0.3%	0.4%	1.5%	-	7.5%
Defense	49.4%	54.9%	44.5%	-	42.8%
Humanitarian Assistance	0.2%	0.7%	0.7%	-	1.5%
International Security Assistance	4.5%	5.0%	4.4%	-	2.4%
Investigation and law enforcement	0.1%	0.5%	0.3%	-	6.4%
Preparedness	1.3%	1.3%	3.8%	-	1.0%
Public Diplomacy	0.1%	0.2%	0.1%	-	0.2%
Recovery from attacks	19.4%	19.0%	17.2%	-	17.7%
Security -Infrast. & Pers.	2.1%	4.0%	6.9%	-	9.0%
Security - Aviation	15.5%	14.1%	14.6%	-	2.7%
Victim relief	2.9%	1.3%	1.8%	-	8.8%
Other /b/	4.2%	-1.5%	4.2%	-	NA

**Notes:** For definition of policy priorities, see box above.

<sup>a</sup> Includes Administration request of \$1.276 billion for Pell grants in its February 2002 budget submission. Excludes \$1.1 billion increase in mandatory VA disability payments requested by the Administration on May 21, 2002, and included in the Senate bill.

<sup>b</sup> 'Other' includes non-emergency appropriations, rescissions, offsets and Pell funding request, which does not fit into categories as defined in box.

**Sources:** Letter of President George Bush to Speaker of the House, the Honorable J. Dennis Hastert, transmitting the FY2002 Emergency Supplemental request, March 21, 2002. See also [<http://w3.access.gpo.gov/usbudget/fy2003/amndsup.html>]; House Appropriations Committee tables; and H.R. 4775. Calculations are by CRS. Totals may not add due to rounding.

**Table 3. FY2002 Emergency Supplemental by Policy Priorities**  
(millions of dollars of discretionary budget authority)

Department/ Agency Totals	Admin. Request	House action	Senate action	Enacted
<b>GRAND TOTAL<sup>a/</sup></b>	<b>\$28,412.8</b>	<b>\$28,774.5</b>	<b>\$31,498.2</b>	<b>-</b>
Bioterrorism	\$87.1	\$107.0	\$464.0	-
Defense	\$14,022.1	\$15,799.5	\$14,022.0	-
Humanitarian aid	\$54.0	\$214.0	\$212.0	-
International Security Asst	\$1,275.5	\$1,452.5	\$1,374.5	-
Investigation/law enforcement	\$35.1	\$154.6	\$105.0	-
Preparedness	\$379.3	\$376.4	\$1,192.6	-
Public Diplomacy	\$24.9	\$52.6	\$16.4	-
Recovery	\$5,498.8	\$5,476.3	\$5,418.1	-
Security-Infrastructure & Personnel	\$600.3	\$1,149.8	\$2,184.6	-
Security-Aviation facilities	\$4,400.0	\$4,050.0	\$4,600.0	-
Victim Relief	\$832.5	\$382.5	\$572.5	-
Other <sup>b/</sup>	\$1,203.2	(\$440.7)	\$1,336.50	-

**Notes:** For definition of policy priorities, see box above.

<sup>a</sup> Excludes mandatory \$1.1 billion in funding for additional disability payments for veterans that the Administration requested on May 21 and the Senate included in its bill.

<sup>b</sup> Includes non-emergency spending, rescissions and offsets, and Pell grants, which do not fit into the definitions. See Tables A-3 and A-4 for more detail on non-emergency spending and offsets. The Senate designated the Pell grants as contingent emergency funds.

**Sources:** Letter of President George Bush to Speaker of the House, the Honorable J. Dennis Hastert, transmitting the FY2002 Emergency Supplemental request, March 21, 2002. See also [<http://w3.access.gpo.gov/usbudget/fy2003/amndsup.html>]; House Appropriations Committee tables; H.R. 4775 as amended in the House and the Senate. Calculations are by CRS.

## Potential Congressional Issues Raised by the President's Request

A variety of issues about both the amounts and the composition of the President's request for emergency supplemental spending of \$28.4 billion, as well as the policy implications raised by several general provisions that are included in the request may arise during congressional debate. Although there is generally broad support for defense requests, particularly now, last year Congress significantly

adjusted both the total amount as well as the types of spending requested by the Administration in the first supplemental's defense request.<sup>6</sup>

Several Members have or are considering offering amendments to add funding in several areas, and raise the debt ceiling as desired by the Administration.<sup>7</sup> At the same time, the Administration, as well as some Members of Congress, have raised concerns about increases above the total requested.<sup>8</sup>

## Status of H.R. 4775

On May 24, the House passed H.R. 4775 by a vote of 280 to 138, and on June 7, 2002, the Senate passed its version of the bill (substituted for the text of H.R. 4775) by a vote of 71 to 22. The House reported its version of H.R. 4775 on May 20 (H.Rept. 107-480), and the Senate reported its version on May 29 (S. 2551, S.Rept. 107-156). Although conferees met, and floor action in both houses was originally anticipated for the week before the July 4<sup>th</sup> recess, agreement was not reached.

On June 17, the Administration issued its views on the ongoing conference, stating its general agreement with the House version and its strong opposition to the overall spending level in the Senate bill and to several policy provisions, including restrictions on the President's ability to designate spending as emergency, to spend international family planning assistance, and to cancel the Army's Crusader program (see discussion below under likely conference issues and foreign operations).<sup>9</sup>

Although Congress had hoped to resolve outstanding issues and pass the bill before the July 4<sup>th</sup> recess, that proved not to be possible. Shortly before recessing in response to the President's urging, the House passed a freestanding increase of \$450 billion in the debt ceiling, matching the Senate's action earlier, and resolving one of the issues that had deadlocked the conference.<sup>10</sup>

The President threatened to veto the supplemental if the total exceeded the House level of \$28.8 billion, using the Administration's scoring of two savings

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<sup>6</sup> See CRS Report RL31187, *Combating Terrorism: 2001 Congressional Debate on Emergency Supplemental Allocations* by Amy Belasco and Larry Nowels.

<sup>7</sup> BNA, Daily Report for Executives, "Supplemental Spending Bill May Include Debt Ceiling Hike, FY2003 Spending Cap," May 1, 2002 and "OMB Offset Proposal for Supplemental Draws Bipartisan Criticism: Timetable Unclear," April 30, 2002.

<sup>8</sup> BNA, Daily Report for Executives, "House Panel Delays Consideration of Supplemental, Citing Rising Costs," April 29, 2002.

<sup>9</sup> OMB, Letter to the Honorable Robert C. Byrd, Chairman, Committee on Appropriations, United States Senate, from Mitchell E. Daniels, Jr., June 17, 2002, "Administration's views on FY 2002 Supplemental Bill as passed by the House and Senate; see *Inside the Pentagon*, June 20, 2002, Volume 18, Number 25.

<sup>10</sup> National Journal's Congress Daily, "Despite Bush Appeal, Hill Impasse on Debt Ceiling Increases," June 26, 2002; Congress Daily, "Bush Urges Hastert, Gephardt to Increase Debt Ceiling," June 25, 2002; Roll Call Daily, "Armed Says Congress May Leave Town Without Increasing Debt Limit, June 25, 2002.

proposals included in the House bill. If either the savings proposals are dropped or CBO scoring is adopted, the House bill would cost \$30.1 billion rather than \$28.8 billion that was reported.<sup>11</sup>

After returning from the July 4<sup>th</sup> recess, the conferees reached agreement on a total spending level of \$30.4 billion, apparently relying on CBO scoring. The conferees' attempt to complete a conference version were derailed by the Administration's opposition to the overall spending level agreed to by the conferees. The Administration objected to the total and proposed a series of decreases in spending and offsets to reduce the total to \$28.8 billion, including:

- ! an unspecified cut of \$400 million in defense spending;
- ! a \$220 million reduction in spending for the Transportation Security Administration;
- ! a \$150 million cut in renovation spending for the Pentagon;
- ! a \$100 million cut for AMTRAK;
- ! an \$80 million reduction in embassy security funding; and
- ! a \$50 million cut in aid for Pakistan and Jordan;
- ! Administration estimates of savings for capping the airline emergency loan program.<sup>12</sup>

Although appropriators had also requested cuts from unspent monies appropriated in last year's Emergency Terrorism Response supplemental, the Administration proposed only \$250 million in savings. As of March 31, 2002, agencies had obligated only about half of the appropriated funds, with some agencies at much lower levels.<sup>13</sup>

Senate appropriators used some of the Administration's proposals to develop a bipartisan \$28.8 billion package developed by Senate Appropriations Chair Robert Byrd and Ranking Minority Ted Stevens using some of the cuts proposed by the Administration. That package was rejected by House Appropriations Chair Bill Young.<sup>14</sup> Congressional appropriators also rejected OMB's estimates of \$1.1 billion

<sup>11</sup> Congress generally follows CBO's scoring. The dispute centers around two savings proposals that are included in the House bill - the cap on emergency loans to airlines for the rest of FY2002 and limits on the Agriculture Department's Export Enhancement Program. Savings from the cap on loans to airlines were estimated to be \$393 by CBO and \$1,264 million by OMB, and savings from limiting the Export Enhancement Program were estimated as zero by CBO and \$450 million by OMB. Taking into account these scoring differences, CBO scores the House bill at \$30.1 billion; see *Congress Daily*, "Despite Bush Appeal, Hill Impasse on debt Ceiling Increases," June 26, 2002.

<sup>12</sup> *National Journal's Congress Daily*, "... As They Also Criticize Administration-Proposed Cuts," July 12, 2002.

<sup>13</sup> OMB Director, Mitchell Daniels, "Letter to Senator Robert C. Byrd, Chairman, Committee on Appropriations, U.S. Senate, enclosing second quarterly report on the use of the Emergency Response Fund," April 2002.

<sup>14</sup> BNA, *Daily Report for Executives*, "Appropriations: White House Pushes Anew for Paring Back Size of FY 2002 Supplemental Spending Bill," July 16, 2002; *Roll Call Daily*, (continued...)

in savings from the airline loan program, an estimate of savings that exceeds CBO's estimate by about \$800, and that Congressman Obey suggested was overstated because only a couple of loan applications were received by the June 28, 2002 deadline.

In testimony before the House Budget Committee on July 16, OMB Director Mitch Daniels stated that the Administration would veto any bill that exceeded \$28.8 billion, and suggested that the Administration was considering reducing its request to as low as \$18 billion because the total amount of funding might not easily be spent in the months remaining in the fiscal year, a position endorsed by Senate Minority Leader Lott. Most of the funding in the supplemental could be available beyond 2002.

DOD Comptroller Dov Zakheim also warned that DOD needed the supplemental to avoid facing cutbacks in operations because training funds have been shifted to fund the war on terrorism. Senator Minority Leader Lott suggested, however, that DOD and other agencies could accommodate a smaller supplemental by shifting monies from other accounts.<sup>15</sup> The appropriators, on their part, are facing new pressures from western members to add \$1 billion in emergency spending to combat wildfires, droughts, and floods, spending that the Administration is reportedly refusing to consider an emergency, instead requiring that it be offset with cuts in other spending.<sup>16</sup>

On July 18, the House and Senate reached agreement on a spending compromise of \$28.9 billion that was developed by House appropriators, and the Administration is reportedly pleased that the bill meets his spending goal.<sup>17</sup> That package is the conference version of the supplemental and is expected to reach the floor of both houses early in the week of July 22<sup>nd</sup>. The conference report is to be filed by midnight of July 19<sup>th</sup> (report not yet available).

## Conference Version

Based on press reports, the \$28.9 billion conference version of H.R. 4775 to be considered on the floor of both houses next week, probably July 23<sup>rd</sup>, generally sets

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<sup>14</sup> (...continued)

“Supplemental in Limbo as House Appropriators Reject Byrd-Stevens Proposal,” July 16, 2002; *National Journal's Congress Daily AM*, “Appropriations: House Conservatives Use Interior Bill to Press Spending Fight,” July 17, 2002.

<sup>15</sup> *Inside the Navy*, “Zakheim: Without Supplemental, DOD Starts Shutting Down Soon,” July 15, 2002; *Roll Call Daily*, “Supplemental in Limbo as House Appropriator Reject Byrd-Stevens Proposal,” July 16, 2002.

<sup>16</sup> BNA, *Daily Report for Executives*, “Appropriators Look for Cuts; Daniels repeats Veto threat,” July 17, 2002; *National Journal's Congress Daily AM*, “Appropriations: Daniels Again Demands Congress Act on Supplemental Bill,” July 16, 2002; *National Journal's Congress Daily*, July 17, 2002.

<sup>17</sup> Dan Morgan, “Hill Negotiators Clear Extra Military Funds, Impasse with White House Broken,” *Washington Post*, July 19, 2002.

funding levels between the House and Senate levels, includes savings of about \$3 billion, and adds several new items. The conference version also resolves outstanding differences on policy issues.

**Resolution of major funding issues.** Generally splitting the difference between the two houses, the conference version of the bill includes the following spending levels:

- ! \$14.5 billion for the Department of Defense (\$500 million above the request);
- ! \$6.7 billion for homeland security (\$1 billion to \$2 billion above the request) with
  - ! \$3.85 billion for the Transportation Security Administration (\$550 million below the request);
  - ! \$201 million for first responders;
  - ! \$175 million for grants to fire departments;
  - ! \$100 million for emergency FEMA grants;
  - ! \$175 million for the FBI.
- ! \$5.5 billion for New York (the same as the request); and
- ! \$2.1 billion for foreign assistance and embassy security, including new funding for
  - ! \$200 million for international HIV/AIDS funding;
  - ! \$200 million for aid to Israel;
  - ! \$50 million for aid to the West Bank and Gaza; and
  - ! \$201 million for embassy security.

The conference bill also includes about \$3 billion in savings and offsets, made up of about \$770 million in defense funding that could not be spent in FY2002, and about \$400 million for a new building for the Center for Disease Control, as well as a variety of rescissions from previous supplementals. The controversial estimate of savings of over \$1 billion from halting the emergency loan program for airlines is not included.<sup>18</sup>

**New items added in conference.** In response to new concerns about wildfires and flooding in western states and AMTRAK's financial status, the conferees also added three items that were not included in either the House or Senate versions of the bill:

- ! \$205 million for AMTRAK;
- ! over \$200 million for fire and flood relief; and
- ! \$98 million for emergency highway repairs.

**Designating Funds as emergencies.** The conference version of H.R. 4775 resolves one of the most contentious policy issues in the FY2002 supplemental, the "all or none" provision that required the President to accept all Congressional

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<sup>18</sup> "Appropriations: Conferees Agree on \$28.9 billion FY02 Supplemental Bill," *National Journal's Congress Daily*, July 18, 2002, and BNA, *Opcit*, July 19, 2002

designations of non-defense funding as emergency in order to spend any of those funds. The bill splits funding into two parts.

- ! about \$24 billion where Congress adopts the same emergency designation as in the President's request;
- ! about \$5 billion that Congress designates as "contingent emergency" spending where the President has the choice of designating all or none of that funding as an emergency. In other words, if the President wants to spend any of that \$5 billion, all of the funding must be designated as emergency monies to be spent.<sup>19</sup>

That \$5 billion in contingent emergency funding includes new items added by Congress such as \$200 million for aid to Israel, \$50 million in aid for the West Bank and Gaza, \$400 million for election reform, \$205 million for AMTRAK, \$200 million in international aid for HIV/AIDS/malaria and tuberculosis. Funding increases above the Administration's request or not designated as an emergency such as medical care for veterans, \$500 million more for DOD, and \$1 billion in Pell grants are also in the contingent emergency portion. According to reports, the Administration dislikes the provision but may want to spend some of the funding included in the \$5 billion.<sup>20</sup>

**Change to the Highway Trust Fund Formula.** The conference version of H.R. 4775 bill also includes a change in the formula for setting funding levels for highway spending that would increase highway funding by \$4.4 billion from \$23.4 billion to \$27.7 billion. This spending is apparently not counted in the \$28.9 billion total for the bill.

**Releasing Funding for International Family Planning.** The conference version of the bill does not include any language that addresses whether the Administration is required to spend \$34 million in FY2002 funds for international family planning. The Senate version of the bill included language requiring that the Administration release the funds if a State Department investigating team found that the Chinese government did not engage in coercive family planning practices.

**Change to rural Medicare formulas and Textile trading preferences.** Rejecting requests from some lawmakers, the conferees dropped House provisions that would have authorized more generous Medicare payment formulas for rural doctors in certain states to encourage them to remain. The conferees did, however,

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<sup>19</sup> Similar language was included in an emergency defense spending bill two years ago; see David Rogers, "House, Senate Get Agreement on \$28.9 billion spending bill," *Wall Street Journal*, July 19, 2002.

<sup>20</sup> *Ibid*, and Dan Morgan, "Hill Negotiators Clear Extra Military Funds, Impasse with White House Broken," *Washington Post*, July 19, 2002; BNA, "Appropriations: Conferees Adopt \$28.9 billion Supplemental Spending Package," *Daily Report for Executives*, July 19, 2002; David Rogers, "House, Senate Get Agreement on \$28.9 billion spending Bill," *Wall Street Journal*, July 19, 2002.

include a provision that closed a loophole which allowed South American exporters to undercut U.S. textile manufacturers thus threatening American jobs.

## House Action

On May 9, 14, and 15, 2002, the House Appropriations Committee marked up the President's \$27.1 billion emergency supplemental spending measure, producing a bill that totaled \$29.8 billion, about \$2.7 billion above the request. Further changes made during markup pared the chairman's mark to \$29.4 billion.

On May 22, 23, and 24, the House debated H.R. 4775, passing the bill just after 2:30 a.m. on the 24<sup>th</sup> by a vote of 280 to 138. As passed, the bill totaled \$28.8 billion, or about \$600 million below the reported level. That decrease resulted from two actions:

- ! deletion of the proposal to end the grant program to airlines provided in the Air Transportation Safety and Stabilization Act enacted after the terrorist attacks (eliminating savings of \$250 million); and
- ! changing the scoring of the savings for the temporary cap on loans to airlines provided under that act (increasing savings from \$393 million to \$1,254 million).<sup>21</sup>

**House Markup.** As reported, H.R. 4775 included:

- ! \$1 billion for Pell student financial assistance (\$276 million less than the request).<sup>22</sup>
- ! \$15.8 billion for defense (\$1.8 billion higher than requested).
- ! \$5.8 billion for homeland security (\$522 million above the proposal), including \$3.9 billion for the new Transportation Security Administration (\$550 million less than requested).
- ! \$1.6 billion for foreign assistance (about \$350 million more than proposed), mainly for security aid to the "front-line" states in the war on terrorism, but also including \$200 million to combat global HIV/AIDS and other infectious diseases, and \$200 million for Israel and \$50 million for Palestine.
- ! \$175 million in grants to first responders, as requested, but provided through the Justice Department rather than FEMA, as proposed.
- ! \$450 million for election administration reform.

During markup, the Committee also agreed to move the first responders funds from the Office of Homeland Security as initially proposed in committee to the

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<sup>21</sup> CBO had scored the cap on the airline credit at \$393 million compared to OMB scoring of \$1,254 million. The House budget committee directed that CBO use the OMB scoring.

<sup>22</sup> The Administration requested \$1.276 billion for Pell grants in an amendment to the FY2003 budget, and proposed that the full amount be offset by cutting all funding for the Department of Education that was added by Congress last year. The higher funding for Pell grants was not part of the FY2002 emergency supplemental request to Congress that was submitted on March 21, 2002.

Justice Department, a change more acceptable to the Administration, and dropped a proposal to double the tax on airline tickets, a provision that was strongly opposed by the airline industry. Instead, the Committee further reduced the amount of funding provided to the Transportation Security Administration.

To offset the \$2 billion in the supplemental that was not designated as emergency spending, the Committee included a variety of rescissions and offsets (see **Table A3** and **Table A4** in the appendix). The rest of the spending in the bill is designated as emergency spending and does not need to be offset.

According to OMB Director Mitch Daniels, the Administration is “comfortable” with the House markup of the supplemental.<sup>23</sup> Reportedly, however, some fiscal conservatives are upset that the total in the bill exceeds the Administration’s request, including the Committee’s decision to provide the Administration with an additional \$1.8 billion for the Defense Department, which Secretary Rumsfeld said in hearings was not needed.<sup>24</sup> Since the additional funds for DOD are designated as “contingent emergency” funds, the Administration does not have to spend the money.

The Rules Committee adopted a “deeming” resolution that would set overall spending levels for FY2003 at \$759 billion as provided in the House budget resolution, H.Res. 353, and the level desired by the Administration. The bill also calls on the government to take “all steps necessary” to protect “the full faith and credit of the government,” placeholder language that would permit the two houses – if they reach agreement – to include language that would raise the debt ceiling. Meanwhile, Democratic members of the Budget Committee who hoped to attract some moderate Republicans to a proposed floor amendment that would couple an immediate increase in the debt ceiling that is desired by the Administration with a new requirement that the President submit a proposal to balance the budget by 2007 were not able to bring their proposal to the floor.<sup>25</sup>

The Rules Committee also added the following three specific provisions, which proved to be controversial during floor debate:

- ! a provision providing for adjustments in certain Medicare payments for hospitals and physicians in certain counties in New York and Pennsylvania;
- ! a revision of the Caribbean Basin Economic Recovery Act that would require that preferential trade treatment only apply to apparel articles that are dyed, printed, and finished in the U.S.; and

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<sup>23</sup> National Journal, “FY02 Supplemental Passes in Markup, But Obstacles Remain,” *Congress Daily*, May 16, 2002.

<sup>24</sup> National Journal, “GOP Budget Hawks Unhappy with FY02 Supplemental,” *Congress Daily*, May 16, 2002; testimony by Secretary of Defense Rumsfeld before the Senate Appropriations Committee, May 7, 2002.

<sup>25</sup> Erin P. Billings, “Democrats launch Bill to Balance the Budget by 2007,” *Roll Call Daily*, May 16, 2002.

- ! a provision that would allow the Postal Service to continue to use the bypass mail system in Alaska on main routes and in the bush country.<sup>26</sup>

**Policy Provisions Adopted During Markup.** The Committee also adopted a number of policy amendments, including:

- ! **Increasing Fund for Highways.** The appropriators added a provision that would restore FY2003 highway funding to the authorized level by voiding a \$4.4 billion reduction that is required by current statute. That statute sets highway funding based on revenues to the Highway Trust Account.<sup>27</sup> While there is general support for increasing FY2003 highway funding to the authorized level, there could be controversy over this provision, which some feel may result in the permanent elimination of the formula that ties highway funding to revenues rather than a one-time waiver of the formula.
- ! **Limiting DOD's Responsibility for Water Use Under the Endangered Species Act.** DOD is responsible for water consumption on its own installations and in the surrounding area. The Committee's markup would limit this responsibility to its own installations. Some may argue that the provision is unnecessary because a recent court case in Arizona already struck down a far-reaching Fish and Wildlife Service opinion that would have made DOD responsible for use of water in the surrounding area. Some may also be concerned because the amendment could be seen as setting a precedent for exempting DOD from other environmental provisions as proposed by the Administration in a separate legislative package this year.<sup>28</sup>
- ! **Reimbursing Allies in the Global War on Terrorism.** The bill revises the Administration's proposal to allow DOD to provide military aid to foreign nations who support the U.S. in the "global war on terrorism." The bill narrows the scope, requires joint notification from the Departments of State and Defense (rather than giving DOD sole authority) as well as approval of the Appropriations Committees to use up to \$100 million to reimburse

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<sup>26</sup> See H.Rept. 107-480, House Rules Committee, *Providing for consideration of H.R. 4775*, May 22, 2002.

<sup>27</sup> RABA – Revenue-Aligned Budget Authority – is a mechanism in the highway program authorizing legislation, The Transportation Equity Act for the 21<sup>st</sup> Century (TEA21), that adjusts the authorized funding level up or down depending on the level of Highway Trust Fund revenues; it added \$9 billion to the highway program over the past three years, but requires a \$4.4 billion reduction in FY2003.

<sup>28</sup> See CRS Report RL31415, *The Endangered Species Act, Migratory Bird Treaty Act, and Department of Defense Readiness Activities: Current Law and Legislative Proposals*, by Pamela Baldwin.

foreign nations for “the costs of goods, services, or use of facilities provided in direct support of operations by U.S. military forces in the global war on terrorism.”<sup>29</sup>

- ! **Military and Logistical Support.** The bill does, however, include the original language requested by the Administration that gives sole discretion to the Secretary of Defense to reimburse “key cooperating nations,” including Pakistan and Jordan, up to \$420 million altogether for “logistical and military support provided to United States military operations in the global war on terrorism.”<sup>30</sup>
- ! **Exempting U.S. Military Forces from International Military Court.** The bill adopts an amendment proposed by Representative DeLay that exempts U.S. military forces who participate in peacekeeping operations from being prosecuted in the International Criminal Court for war crimes. Although the U.S. has already signed the agreement, both President Clinton and President Bush have voiced concerns about the agreement.<sup>31</sup>

**Other Changes During Markup.** In the final day of markup, the Committee also softened several controversial amendments.

- ! The bill adopts report language opposing cancellation of the Army’s Crusader howitzer rather than language proposed by Congressman Sabo that would have prohibited the Administration from cancelling the system.
- ! The bill requires that the Administration report by July 31 whether it will release international family planning monies after investigating whether allegations that China engages in forced abortion rather than requiring the Administration to release the funds as originally proposed by Representatives Lowey and Kolbe.

**House Floor Action.** During House debate on the bill, the chief areas of controversy – some of which also surfaced on the Senate side – included the following.

**Raising the Debt Ceiling.** Some members argued that the language in H.R. 4775 providing that the U.S. government would take “all steps necessary to guarantee

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<sup>29</sup> House Appropriations Committee, draft bill (unnumbered), and the amendments that were adopted during markup are posted on the House Appropriations Committee’s web site, [[http://www.house.gov/appropriations/info/2002/\\_sup\\_amend.pdf](http://www.house.gov/appropriations/info/2002/_sup_amend.pdf)].

<sup>30</sup> House Appropriations Committee, draft bill (unnumbered), and amendments adopted during markup, available online from the House Appropriations Committee’s web site, [[http://www.house.gov/appropriations/info/2002/\\_sup\\_amend.pdf](http://www.house.gov/appropriations/info/2002/_sup_amend.pdf)].

<sup>31</sup> See CRS Issue Brief IB94040, *Peacekeeping: Issues of U.S. Military Involvement*, by Nina M. Seafino. On the Senate side, Senator Helms introduced language similar to that added to the FY2002 supplemental on the House side.

the full faith and credit of the Government” was an indirect way of raising the debt limit without requiring a direct vote by members.<sup>32</sup> The language would permit the issue of raising the debt ceiling to be raised during conference. Majority Leader Daschle has said that he would prefer to pass a stand-alone bill and S. 2551, the Senate version of the supplemental, does not include language about raising the debt limit.

***The “Deeming” Resolution.*** H.R. 4775 provides that House Concurrent Resolution 353, the budget resolution passed by the House, would be “deemed” to have passed both houses and hence would guide the appropriations committees in their action on FY2003 appropriations actions. That resolution sets total discretionary budget authority at \$759 billion, the level proposed by the Administration assuming that its proposal for accrual funding of benefits for civilian government workers is not approved.<sup>33</sup> Some Members raised concerns that the level in the House resolution would not provide adequate funding in FY2003. The Senate version of the supplemental does not include “deeming” language.

***Provisions about Medicare Payments, Andean Trade Preference Rules and Alaskan Mail.*** Members raised issues about the appropriateness of adding provisions that would benefit particular areas or that would alter trade rules as part of the supplemental. Members may raise similar issues about various, specific provisions included in the Senate bill.

The House also deleted controversial provisions on monies included for family planning (see discussion below under foreign operations).

## Senate Action

On May 21, 2002, the Senate Appropriations Committee marked up the FY2002 emergency supplemental (S. 2551/S.Rept. 107-156) producing a bill that totaled \$31.0 billion in discretionary budget authority, \$2.2 billion above the House level and \$2.6 billion above the request. (An additional \$1.1 billion in mandatory benefit payments to veterans was also included that was requested by the Administration on May 21 because more veterans are becoming eligible for disability payments as the backlog of claims is reduced.<sup>34</sup>)

After returning from the Memorial Day recess, the Senate debated the bill June 3 and 4 and then invoked cloture.<sup>35</sup> After further debate on June 5 and 6, the Senate

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<sup>32</sup> See House Rules Committee, H.Rept. 107-484, *Providing for consideration of H.R. 4775, and Congressional Record*, May 22-May 24, 2002.

<sup>33</sup> The Administration request included \$9 billion to fund that proposal. Thus far, it does not appear to be likely to be approved by Congress.

<sup>34</sup> See Senate Appropriations Committee, S.Rept. 107-156, *Making supplemental appropriations for Further Recovery and Response to Terrorist Attacks*, Chapter 12, page 105 of text version of report.

<sup>35</sup> Invoking cloture ensured that the bill could not be debated for more than 30 hours and (continued...)

passed H.R. 4775 at 12:28 a.m. on the morning of June 7 by a vote of 71 to 22. (The Senate adopted the number of the House bill, inserting its version as a substitute.)

After passage, the bill totals \$31.5 billion, or \$500 million higher than the reported level, reflecting the effect of three amendments adopted on the floor (see below). Although a variety of other amendments were adopted during floor debate, most allocated funding previously appropriated or made minor changes in language.<sup>36</sup>

**Senate Markup.** S. 2551 differs substantially from both the Administration's request and the House-passed bill in both overall and specific funding levels for individual agencies and programs and in policy language. The following issues were debated on the Senate floor and are likely to be significant issues during conference.

**Emergency Designation of Spending.** Section 2002 of Title 2 in the Senate version of H.R. 4775 provides that funds in the bill will not be available to the President unless he designates all funds as "emergency spending" that are designated that way in the bill. This "all or none" provision applies to all emergency funding except for that provided to the Department of Defense, is opposed by the Administration, and was not included in the House bill. The Balanced Budget and Emergency Deficit Control Act of 1985, as amended, provides that both the President and Congress must designate funding as emergency in order for those monies to be exempt from budgetary ceilings. This provision would limit the President's discretion to make those designations.

A similar provision was proposed on the House side and withdrawn after protests from the Administration.<sup>37</sup> This provision could be particularly controversial because the Senate bill differs considerably from both the Administration request and the House bill (H.R. 4775) for non-defense spending.

**Senate Confirmation of Director of Homeland Security.** S. 2551 includes a provision (Chapter 11, Section 1102) that requires that within 30 days after enactment, the Administration must establish a position for a Director for Homeland Security who would be confirmed by the Senate.

Over the last several months, Senator Byrd has asked that Director of Homeland Security Tom Ridge, testify before congressional committees. The Administration has rejected that request on the basis that Tom Ridge is an advisor to the President within the White House, and hence is not required to testify before Congress.<sup>38</sup> The House bill does not include this provision. This provision may be less controversial

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<sup>35</sup> (...continued)

limited the scope of amendments that could be offered to those ruled germane by the Chair.

<sup>36</sup> See *Congressional Record*, June 5, and June 6, 2002.

<sup>37</sup> *National Journal*, "Senate Appropriators Approve \$31 billion Supplemental Spending Bill," Markup Reports, May 22, 2002.

<sup>38</sup> *National Journal's Congress Daily*, "Ridge: Bush Should Veto Cabinet-Level Security Position, May 30, 2002.

in light of the Administration's recent announcement of plans to create a new cabinet level Homeland Security agency.

**Overall Spending Level.** The Administration has stated its concern about the overall level of the Senate bill is above the Administration's request – by about \$2.5 billion – and that the funding priorities differ substantially with that request. Although the Senate bill provides the same funding as requested by the Administration for defense, S. 2551 provides considerably more funding than requested for homeland defense (e.g. funding for first responders), as well as other areas (see **Table A-2** and discussion below). The Administration opposes the funding level in the Senate bill.

**Potential Funding Issues.** In addition to these general provisions, and differences in the overall funding level, there are substantial differences in funding for particular agencies and programs (see **Appendix A-1** and **A-2** and individual sections below) as described below.

- ! **Transportation Security Administration:** S. 2551 provides \$4.4 billion, as requested by the Administration, compared to \$3.9 billion in the House bill.
- ! **First Responders:** S. 2551 includes about \$1 billion or twice as much as the Administration requested for various grants and programs located in both FEMA and the Justice Department.
- ! **Port Security and Coast Guard:** S. 2551 provides almost \$1 billion for various port security efforts, well above that in the House bill or the Administration request.
- ! **Bioterrorism and Water Safety:** the Senate bill provides additional funding for testing of drinking water systems (\$100 million), and infectious disease programs (almost \$400 million) not in the Administration request or the House bill.
- ! **Nuclear Safety:** S. 2551 provides an additional \$100 million for nuclear non proliferation efforts, and \$200 million for improved security at nuclear labs in the U.S.

**Areas of Agreement.** Both the House and Senate provide \$450 million for election reform, though with differing provisions about implementation. And both houses added funds for assistance to Israel. Both houses also raised funding for highways and provided funding for Pell grants. The Administration requested an additional \$1 billion for payments to eligible veterans on May 21, reflecting an unanticipated draw down in the backlog of claims. Although only the Senate included the funding in their bill, this increase is not likely to be controversial because the funding is mandatory, i.e. required by existing law.

**Senate Floor Action.** On June 3 and June 4, the Senate debated S. 2551, substituting its version of the bill in H.R. 4775 as passed by the House. On June 4, the Senate adopted an amendment proposed by Senator Byrd that deleted a provision

in the bill that would temporarily cap emergency loans provided in the wake of the terrorist attack to give relief to airlines.<sup>39</sup> On June 4th, the Senate passed a cloture motion that limited debate to 30 hours and limited amendments to those ruled as germane by the Chair. As amended on the floor, the total cost of the bill increases to \$31.5 billion (see below).<sup>40</sup>

**Rejected Amendments.** The Senate rejected an amendment proposed by Senators Gregg and Feingold that would set total spending limits for the next 5 years, as well as re-institute various budget enforcement mechanisms to check spending that lapse in 2002. Since both houses have not adopted a concurrent resolution on the budget for FY2003, there are no overall targets for spending for this or later years. In addition, Congress is no longer subject to enforcement tools, such as pay go - which requires that changes to entitlement programs that increase spending are offset - and sequestration - which require across-the-board cuts if budget ceilings are exceeded.<sup>41</sup> Proposals to include an increase in the debt ceiling were also rejected on the floor.

**Amendments that Increase Funding.** The Senate adopted the following three amendments that increased total spending in H.R. 4775 from \$31.1 billion to \$31.5 billion:

- ! a \$100 million increase in funding for international assistance for HIV/AIDS (making the level \$200 million, the same level as in the House bill);
- ! a \$22 million increase in funding for flood recovery in Michigan and Illinois; and
- ! deletion of the cap on the airline credit program (eliminating savings of \$393 million).

**Policy Amendments Passed.** In addition, the Senate, like the House, added the American Servicemembers' Protection Act, an act originally proposed in the 106<sup>th</sup> Congress intended to shield U.S. service members from being subject to the jurisdiction of the International Criminal Court. The proposed legislation prohibits the participation of U.S. service members in U.N. peacekeeping missions unless there are protections that would ensure that they would not be subject to the court. The President, however, is also permitted to waive certain restrictions in the Act, subject to various reporting requirements.

Although the U.S. signed the Treaty establishing the International Criminal Court, former President Clinton voiced reservations about it and President Bush withdrew U.S. support for the Treaty on May 6, 2002; the court is to be set up July

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<sup>39</sup> See Air Transportation Safety and System Stabilization Act.

<sup>40</sup> CBO estimated that this provision to delay loans to airlines till FY2003 would save \$393 millions. With deletion of this provision, these savings would not occur.

<sup>41</sup> *National Journal's Congress Daily*, "Feingold, Gregg Set to Unveil Multi-Year Spending Caps, June 4, 2002.

1, 2002.<sup>42</sup> The Senate also adopted an amendment by Senator Dodd that allows the President to cooperate with the court in the pursuit of international efforts to bring to justice Saddam Hussein, Slobodan Milosovic, Osama bin Laden, or other foreign national accused of war crimes.<sup>43</sup>

See individual sections below for background discussion of potential issues, and see **Appendix A-1 and A-2** for breakouts of the Administration's funding request, and House and Senate action by agency, bill and line item.

## Likely Conference Matters

Although conferees have been meeting to resolve differences between the House and Senate versions of H.R. 4775, the timing of a final conference and floor action are now uncertain because of a dispute with the Administration about the total spending level in the bill (see below).

**Funding Issues.** Several issues are likely to be difficult to resolve in conference, including the overall funding level in the bill and funding levels for individual agencies and programs.

**Overall Funding Level.** Although the total for the Senate bill is \$2.6 billion above the House level, the discrepancy in funding levels is actually closer to \$4.4 billion when the House's \$1.8 billion increase for the Department of Defense is taken into account.<sup>44</sup> Although the Administration has stated that the additional funding in the House bill for DOD - for paying the cost of activating reservists, and additional funding for spares and depot maintenance - is not necessary, the House provided the funds on a "contingent emergency" basis, meaning that the President can decide whether to spend the monies. The other significant difference in funding between the House and the Senate is the additional \$3 billion for homeland security activities in the Senate bill, including more spending for bioterrorism, preparedness activities, and security enhancements (see section on policy priorities above).

Determining the overall difference in funding between the two bills is complicated by differences in scoring between OMB and CBO. Although the House reported the total for its bill as \$28.8 billion, if the bill is scored using CBO's numbers, the total would be \$30.1 billion, a total that is closer to the Senate level, and above the Administration's request. Although Congress generally uses CBO's estimates, the House chose to use higher OMB estimates of savings for several offsets.

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<sup>42</sup> CRS Report RL31437, *International Criminal Court: Overview and Selected Legal Issues*, by Jennifer Elsea.

<sup>43</sup> See *Congressional Record*, June 6, 2002, pages S5138ff.

<sup>44</sup> Since the Senate bill does not include the \$1.8 billion increase, the difference is \$4.4 billion (\$1.8 billion plus \$2.6 billion).

Although the conferees reached agreement on a total spending level of \$30.4 billion after returning from the July 4<sup>th</sup> recess, the Administration objected to that total and proposed a series of decreases in spending and offsets to reduce the total to \$28.8 billion. That proposal was rejected by Congressional appropriators, in part because of concern that OMB's estimates overstated savings.<sup>45</sup> Although OMB's proposals for cuts in spending to reduce the overall total are still under consideration, several members have already objected, and suggested that the Administration look elsewhere for savings, including from last year's Emergency Terrorism Response supplemental.<sup>46</sup>

**"All or None Provision".** The White House objects not only to the funding level in the Senate bill but also has threatened to veto the bill if Section 2002 in the Senate, the "all or none" provision, is included. That provision would require that the President designate as emergency spending all non-defense funding that is classified as "contingent emergency" spending in the bill in order to spend any of those funds. In other words, the President would not have the prerogative of spending only some of the "contingent emergency" spending as would be the case in the House bill.

According to the 1985 Balanced Budget and Emergency Deficit Control Act as amended, both the President and Congress must agree that spending is emergency for those funds to be exempt from budgetary controls over total spending.<sup>47</sup> (The final year that those budgetary controls apply is FY2002.) If Section 2002 is adopted, however, the President would no longer have the prerogative to select the spending that would be classed as emergency spending and, hence, not subject to budget controls. All non-emergency spending must be offset by cuts in other programs or offsets. According to Senator Byrd, a similar provision was included in the 2001 Supplemental.<sup>48</sup>

**Budget Controls and Increase in the Debt Ceiling.** Some members have suggested that the FY2002 supplemental should be the vehicle for Congress to adopt budgetary controls on overall spending levels for FY2003 through FY2007 and for an increase in the debt ceiling that is desired by the Administration. Ordinarily, those controls would be included in a concurrent budget resolution, but there appears to be little prospect for passage. As of floor action, the House had passed a "deeming"

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<sup>45</sup> *Roll Call Daily*, "Supplemental Stalled after OMB Initiates New Demands," by Erin P. Billings, July 12, 2002; *National Journal's Congress Daily*, "Legislators Rip Daniels' Cancel Supplemental Session . . ." July 12, 2002.

<sup>46</sup> OMB Director, Mitchell Daniels, "Letter to Senator Robert C. Byrd, Chairman, Committee on Appropriations, U.S. Senate, enclosing second quarterly report on the use of the Emergency Response Fund," April 2002.

<sup>47</sup> See Section 251 (b)(2)(A) of the Budget Enforcement Act of 1990 or 111 Stat. 699; see CRS Report RS21035, *Emergency Spending: Statutory and Congressional Rules* by James V. Saturno.

<sup>48</sup> See *Congressional Record*, June 6, 2002, p. S5168.

resolution in the rule for H.R. 4775 that sets levels that match those in their budget resolution, but the Senate did not include any overall spending levels.<sup>49</sup>

In comparing the concurrent budget resolution passed by the House and the resolution reported by the Senate Budget Committee, the two houses are \$19 billion apart in the total allocated for discretionary spending in FY2003. Negotiations between the two houses and with the Administration to resolve this issue are currently underway, however, so a compromise may be reached.<sup>50</sup> The two houses could choose to adopt the higher level for non-defense spending on the Senate side by allocating \$10 billion that the Administration requested be set aside for a contingency fund to cover the cost of the war on terrorism in FY2003.<sup>51</sup> If that solution is adopted, a FY2003 supplemental request for costs of the war would be needed. Reaching common overall totals for discretionary spending in FY2003 would make it considerably easier for the two houses to resolve FY2003 appropriations bills.

The House also adopted “placeholder” language that would permit conferees to include an increase in the debt ceiling. Before leaving for the July 4<sup>th</sup> recess, the House followed Senate action and passed a freestanding \$450 billion increase in the debt ceiling, eliminating this issue.

**Funding for Transportation.** The House and the Senate are \$2.3 billion apart in their recommended spending levels for the Transportation Department, with the Senate providing \$7.4 billion and the House, \$5.1 billion. Part of that total, however, reflects the inclusion by the House of a cap on emergency airline loans that was projected to save \$1.3 billion. The Senate eliminated that cap during floor action by a vote of 91 to 4.<sup>52</sup> The remaining \$1 billion difference between the houses reflects the Senate’s proposal to add more funding for the Coast Guard (\$373 million) and to provide the full amount requested by the Administration for aviation security rather than reducing the request (\$550 million). Although both houses were dissatisfied with the Administration’s presentation of its plans for aviation security, the Senate chose not to cut the request.

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<sup>49</sup> Attempts by Senators Gregg and Feingold and Senator Daschle to include a “deeming” resolution on the Senate side were defeated on the floor.

<sup>50</sup> See CRS Report RL31305, *Authorization and Appropriations for FY2003: Defense* by Stephen Daggett and Amy Belasco, p. 14ff in June 14, 2002 update for a more complete discussion of this issue.

<sup>51</sup> The Senate Budget Committee’s level of \$768 billion for total discretionary spending includes \$9 billion more for non-defense spending, and includes \$10 billion for a DOD contingency fund. The House passed level of \$759 billion holds the \$10 billion contingency fund for FY2003 for DOD in a reserve fund but excludes \$9 billion for accrual costs that was requested by the Administration. The Senate Budget Committee rejects accrual funding and allocates that \$9 billion for non-defense programs.

<sup>52</sup> See *Congressional Record*, “Daily Digest”, June 4, 2002. The gap in funding is wider because the House also adopted OMB’s scoring for the savings rather than CBO’s scoring (see discussion above).

**Funding to Secure Nuclear Facilities and Materials.** The Senate bill provides \$328 million, some \$80 million more than the House, to secure Department of Energy nuclear facilities and to safeguard nuclear materials in the former Soviet Union. Although the goals are similar, each bill emphasizes different security measures or locations (see **Table A-2**).

**Policy Issues for Conference.** Several significant policy issues will need to be resolved in conference.

**U.N. Family Planning Assistance.** The Senate, but not the House, includes language that would require the U.S. to release \$34 million to the U.N. for family planning activities as long as the President found that China is not engaging in coercive family planning practices. A State Department team is expected to complete a report on this issue by late June. Although the House bill initially included similar language (but giving the President discretion about the funding level), that language was deleted on the floor (see section on Foreign Operations below).

**DOD's Role in Military Aid Allocations.** The House and the Senate bill include different language governing a proposed new role for DOD in the administration of up to \$520 million in military assistance. Neither house adopted the broad language proposed by the Administration. Although both houses would permit DOD to transfer up to \$420 million to Pakistan, Jordan, or other cooperating nations for military and logistical support to U.S. forces, the Senate bill places control of those funds with the State Department, whereas the House bill makes that DOD's prerogative. Moreover, only the House provides \$100 million that could be used to reimburse foreign government for goods, services, or the use of facilities that support U.S. operations in the fight against terrorism, language that is narrower than requested by the Administration. The Senate bill does not include this provision (see Foreign Operations section below).

**Restrictions on DOD's Ability to Cancel the Crusader Program.** Since early May when DOD announced that the Army's Crusader artillery system would be cancelled, this issue has generated substantial controversy in Congress, with the White House threatening a veto of any bill that placed any statutory restrictions on cancellation.<sup>53</sup> In a June 20 letter to Senator Byrd, Chair of the Appropriations Committee, OMB Director Mitch Daniels reiterates this position, stating that the President's senior advisors would recommend a veto of the FY2002 supplemental if House report language that restricts his ability to cancel the Crusader artillery program is made statutory.<sup>54</sup> The House report directs that the Secretary of Defense "shall take no action that would precipitously stop work on the Crusader program until Congress had made a definitive judgment in legislation on the future

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<sup>53</sup> CRS Report RL31406, *Authorization and Appropriations for FY2003: Defense*, by Stephen Daggett and Amy Belasco, p. 20

<sup>54</sup> OMB, Letter to the Honorable Robert C. Byrd, Chairman, Committee on Appropriations, United States Senate, from Mitchell E. Daniels, Jr., June 17, 2002, "Administration's views on FY 2002 Supplemental Bill as passed by the House and Senate; see *Inside the Pentagon*, June 20, 2002, Volume 18, Number 25.

of the program.”<sup>55</sup> The Senate bill includes no language on this issue. The House-passed version of the FY2003 DOD Authorization bill (H.R. 4546) retains funding for the Crusader system, while the Senate version as amended on the floor currently gives the secretary of Defense the authority to re-allocate the funds.

**Placement of Funding for First Responders.** The House and the Senate differ not only in the amount of funding provided for grants to first responders (e.g. firefighters, rescue teams, emergency operations centers) but also in which agency administers those grants. The Administration requested that FEMA administer \$327 million in equipment and training grants, as part of its traditional roles in disaster planning. The House and Senate, provide funding for first responders not only to FEMA but also to the Department of Justice, which in recent years has administered grants for first responders in a law enforcement context. Some consider that reliance on the Justice Department is more appropriate for funding designed to combat terrorism. This issue is now likely to be considered in the context of the President’s new proposal to fold FEMA into a new agency to combat terrorism.

**Placement of Funding for Election Reform.** The House and the Senate both provide \$450 million for election reform, but the House temporarily lodges the funds in the Executive Office of the President and the Senate places the funds in the Justice Department. Both houses provide that the program will follow the provisions in their respective versions of H.R. 3295, the Martin Luther King, Jr., Equal Protection of Voting Rights. The House objects to the funds being administered by the Justice Department.

**Areas of Agreement.** Several policy areas in which the two bills are similar include the following.

- ! **Aid to Israel and Palestine:** both bills provide \$250 million in foreign assistance, split between Israel (\$200 million) and Palestine (\$50 million) (see foreign operations section below);
- ! **Funding for HIV/AIDS:** both bills provide \$200 million for HIV/AIDS to be distributed to the Global Fund to combat HIV/AIDS, malaria, and tuberculosis or other organizations;
- ! **International Criminal Court (ICC):** both bills include the American Servicemembers’ Protection Act, which prohibits the U.S. from participating in U.N. peacekeeping efforts unless U.S. service members are not subject to the international court and limits U.S. cooperation with the court. After reporting to Congress, however, the President can waive some provisions. The Senate bill also includes a separate exemption that would allow the U.S. to cooperate with the ICC in the prosecution of Saddam Hussein, or other terrorist leaders.

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<sup>55</sup> See H.Rept. 107-480, p. 19.

## Administration's Request for the Department of Defense

The Administration has requested \$14 billion for the Department of Defense in the FY2002 emergency supplemental. If enacted, DOD would receive a total of \$31.1 billion in emergency funds from P.L. 107-38 enacted last year *and* the new supplemental. This includes not only funding for the war itself but other initiatives as well. In FY2003, DOD is requesting an additional \$20.1 billion to continue the "global war on terrorism."

**Table 4** below compares the Administration's request for DOD to the amounts included in the ETR, the first emergency supplemental, and to funding for the same purposes in the FY2003 request. This table combines the new functional categories adopted by the Defense Department in its FY2002 emergency request with those used in the first emergency supplemental to combat terrorism.<sup>56</sup>

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<sup>56</sup> In the ETR, the first emergency supplemental, DOD requested funds using ten functional categories created for that request. Categories ranged from "Increased Situational awareness" for intelligence and classified programs, to "Increased worldwide posture, for funds for the war in Afghanistan and activating reservists; see CRS Report RL31187, *Combating Terrorism: 2001 Congressional Debate on Emergency Supplemental Allocations*, p. 24 - 25. DOD used these same ten categories (plus several new categories) in its FY2003 budget request. However, DOD presents its FY2002 supplemental request in different functional categories, such as "Military operations," and "Weapons and munitions." For Table 3, CRS developed a crosswalk between the two sets of categories based on the more detailed description of the programs provided to the Appropriations committees. DOD also presented its FY2002 request in regular appropriation accounts as required in P.L. 107-117; those categories are shown in the appendix of this report.

**Table 4. Comparison of DOD's FY2002 Supplemental with ETR and the FY2003 Request**  
(millions of dollars)

Category	FY2002 Emergency Supplemental Request	ETR Supplemental of 2001	FY2003 Request
Military Operations	\$6,715.9	\$3,656.0	\$10,000.0
Weapons and Munitions/a/	\$548.0	\$1,831.0	\$1,695.9
Mobilization of reservists	\$4,103.0	\$1,051.0	NS
Command, control, communications and Intelligence	\$1,548.0	\$6,525.0	\$3,125.8
Coalition support/b/	\$420.0	\$216.0	NS
Enhanced physical security/c/	NS	\$1,613.0	\$2,680.2
Initial crisis response/d/	\$0.0	\$648.0	\$0.0
Pentagon repair and renovation	\$0.0	\$1,470.0	\$328.0
Airport security/e/	\$0.0	\$261.0	\$0.0
Support of new Homeland commander/f/	[75.0]	NA	\$341.0
Combat air patrols/d/	\$300.0	NS	\$1,200.0
Air Force personnel costs/g/	\$206.0	NA	NA
Nuclear Posture Review/h/	NA	NA	\$685.0
Other/i/	\$181.1	\$100.0	\$0.0
<b>TOTAL</b>	<b>\$14,022.0</b>	<b>\$17,109.0</b>	<b>\$20,055.9</b>

NA = Not applicable; NS = Not specified; [ ] = Included within other category.

**Notes:**

- a. Includes funding to increase the industrial capacity and purchase additional smart munitions to enlarge DOD stocks, as well as unmanned aerial vehicles used for surveillance.
- b. Funding to be distributed to unspecified allies who provide military and logistical support to U.S. forces in the "global war on terrorism."
- c. Erecting additional barriers and purchasing surveillance and detection equipment to improve security at U.S. military installations; cost of those activated reservists performing guard duties at U.S. installations is not specified within "mobilization of reservists."
- d. DOD's support to FEMA and New York City; combat air patrols, later in military operations.
- e. Cost of stationing National Guard at airports, now funded by TSA.
- f. New Homeland Commander in Chief (CINC) set up by DOD after the attack; cost of keeping prisoners at Guantanamo Bay.
- g. Cost of retaining additional Air Force personnel needed for the war on terrorism.
- h. Cost of carrying out DOD's proposed new nuclear policy to upgrade strategic missiles.
- <sup>i</sup> Unspecified costs in FY2002 request; funds potential increase in fuel prices in ETR.

**Sources:**

Department of Defense, FY2002 Supplemental request to continue the global war on Terrorism, March 2002; [ [www.dtic.mil/comptroller/fy2003budget/fy2002\\_supp.pdf](http://www.dtic.mil/comptroller/fy2003budget/fy2002_supp.pdf)]; CRS Report RL31187, *Combating Terrorism: 2001 Congressional Debate on Emergency Supplemental Allocations* by Amy Belasco and Larry Nowels, March 20, 2002; OMB, *Budget of the United States Government, Fiscal Year 2003, Appendix*, February 2002, p. 277, and CRS calculations.

To preserve flexibility to respond to changes in the pace of operations of the war in Afghanistan and its use of reservists at home, DOD requested that \$11.3 billion of the \$14 billion be appropriated to the Defense Emergency Response Fund (DERF), a transfer account from which DOD can move monies into and out of other appropriations accounts as needs arise without returning to Congress for prior approval. DOD contends that funding flexibility is needed because of the uncertainties of events in the next several months.

Congress has expressed some concern about use of the DERF, in part because it makes tracking of emergency funds more difficult since funds lose visibility as they are combined with those in the regular appropriation accounts, a problem acknowledged by DOD's comptroller, Dov Zakheim.<sup>57</sup> The remaining \$2.7 billion of DOD's request would be in regular appropriation accounts where Congress must be consulted about re-allocations.

The Administration's proposal includes several general provisions that would give DOD new authorities to dispense funds to nations who work with the U.S. in the worldwide war on terrorism. These general provisions have generated concerns in appropriations hearings on foreign operations (see below).

Using DOD's illustrative allocations, **Table 4** compares the Administration's priorities in this second supplemental with its request in the ETR and the FY2003 budget request. The second emergency supplemental places more emphasis on continuing to carry out the war in Afghanistan and related areas and paying for the costs of mobilizing reservists, with less emphasis on command, control and communication and classified programs.

In its regular FY2003 budget proposal, DOD also asks Congress for substantial flexibility by requesting \$20.1 billion in the DERF account. That total includes \$10 billion to "fund continued operations for the war on terrorism."<sup>58</sup> The Administration includes no details about the use of these funds and acknowledges that this figure is only a rough estimate reflecting the uncertainty about future plans to combat terrorism in Afghanistan or elsewhere. The remaining \$10.1 billion are requested in the broad functional categories shown below.

**The Cost of the War in Afghanistan.** DOD's request does not explicitly provide an estimate of total cost to continue the war in Afghanistan in FY2002. DOD does, however, estimate that the cost of military deployments will be \$10.4 billion, of which \$3.7 billion was provided in the first emergency supplemental. DOD's request for an additional \$6.7 billion reflects its belief that costs in the remainder of the year are likely to be comparable to those experienced in the first

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<sup>57</sup> Briefing to congressional staffers on execution in the Defense Emergency Response Fund and DOD's FY2002 emergency supplemental request, April 19, 2002.

<sup>58</sup> OMB, *Budget of the United States Government, Fiscal Year 2003, Appendix*, February 2002, p. 277

third.<sup>59</sup> This approach assumes that despite the defeat of the Taliban and Al Qaeda forces, military operations by U.S. forces will continue to require about the same resources.<sup>60</sup> Based on this conservative approach, DOD estimates that wartime military operations in 2002 will cost about \$865 million per month.<sup>61</sup>

That cost for military deployments includes the resources to deploy and support units and their equipment, to operate equipment at a higher operating tempo to carry out wartime operations, to rotate deployed forces between stateside and overseas, to pay active duty forces at higher levels, and to repair and replace equipment damaged or destroyed in combat. DOD's deployment cost does not include the expense of activating reservists supporting Afghan operations or the cost of replacing munitions expended during the war.

According to a recent estimate prepared by the Congressional Budget Office that uses these categories and relies on actual cost data from operations as well as DOD's experience in other operations, the cost of the war in Afghanistan in the second half of FY2002 will be about \$750 million per month, about 75% of CBO's estimated cost for the first half of the year. CBO's lower cost estimate for the second half of the year reflects the recent withdrawal of naval forces, lower munitions usage, and the absence of certain one-time costs incurred at the beginning of the conflict.<sup>62</sup> If the number of forces remained the same but the pace of operations slowed, CBO estimates that the monthly cost of the war would drop to about \$600 million per month.<sup>63</sup>

The difference between DOD and CBO's estimates is somewhat greater than appears from the figures above because CBO's numbers include not only deployment costs but also the cost of replacing expended munitions and the cost of activating about 20,000 reservists, whereas DOD includes those costs elsewhere. If DOD's figures are adjusted to be comparable to those used by CBO, DOD's estimate of the total cost of the war for the year would be about \$12.4 billion rather than the \$10.2 billion assumed by CBO, a \$2.2 billion difference.<sup>64</sup>

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<sup>59</sup> Department of Defense, *FY2002 Supplemental Request to Continue the Global War on Terrorism, March, 2002*, p. 5; [[http://www.dtic.mil/comptroller/fy2003budget/fy2002\\_supp.pdf](http://www.dtic.mil/comptroller/fy2003budget/fy2002_supp.pdf)]

<sup>60</sup> Briefing to congressional staffers by OSD/Comptroller staff, April 19, 2002. DOD's estimate for deployment costs in its justification materials includes \$3.7 billion for the first four months of 2002 and \$6.7 billion for the rest of the year, an average of \$865 million per month for both periods. DOD also used plans for unit deployments to estimate future costs.

<sup>61</sup> CRS calculations based on *Ibid*, DOD's FY2002 supplemental request; divides total of \$10,388.9 million requested for "deployment costs," see p. 7.

<sup>62</sup> CBO, Letter to Senator Pete V. Domenici, Ranking Member, Committee on the Budget, United States Senate, April 10, 2002; see [<http://www.cbo.gov>].

<sup>63</sup> *Ibid*, p. 2-3.

<sup>64</sup> Based on DOD cost factors, the cost of replacing expended munitions would be about \$80 million per month and the cost of activating 20,000 reservists to support the war (as CBO assumes) would be about \$85 million per month, or \$1.1 billion for the year.

**Mobilizing Reservists.** The second largest piece of DOD's FY2002 supplemental request is \$4.1 billion to pay for the cost of activated reservists for the last eight months of the year. (DOD's request assumes that \$1 billion was provided in the first emergency supplemental.<sup>65</sup>) That proposal generated concern in Congress among some Members who believe that this amount may not be adequate to fund the reservists currently on active duty.<sup>66</sup>

According to DOD, the \$4.1 billion in its request assumes a level of 80,000 reservists for the remainder of the year, a number that is close to the 81,235 reservists currently on active duty.<sup>67</sup> DOD assumes that the number of reservists will fall in the latter part of the year as the frequency of combat air patrols on the east and west coast – carried out primarily by Air Force reservists – is reduced and as the services trim the number of activated reservists who are currently carrying out guard duty at stateside military installations.

Although DOD has not provided definitive information about the tasks that reservists are performing, it appears that many of the reservists activated by the services are being used as guards at U.S. military installations, reflecting the heightened concerns of the military in the wake of the terrorist attacks. Some have suggested that the number of guards could be reduced as DOD completes security enhancements for bases – such as more fences and barriers – for which \$1.6 billion was allocated in the first emergency supplemental. DOD could also reduce the cost by using civilian rather than military to perform these duties. In fact, DOD has requested lifting the current statutory provision on contracting out security duty functions in the 2002 supplemental in order to permit DOD to use private guards who would be considerably less costly than the \$66,000 per person cost of relying on activated reservists.<sup>68</sup>

In its regular FY2003 budget, DOD requested an additional \$2.6 billion to improve physical security at military installations but has not specified whether reservists would continue to be used as guards at military installations (see **Table 3** above). If that request is approved, DOD would receive a total of \$3.9 billion over two years for additional physical security at bases.

**Increasing Munitions Stockpiles and Unmanned Aerial Vehicles.** Another major DOD initiative begun in the first emergency supplemental is to expand current industrial capacity to produce precision-guided or “smart munitions,” particularly, the weapon of choice in Afghanistan – the Joint Direct Attack Munitions (JDAMs). DOD is requesting \$4 billion for weapons and munitions in the ETR, the

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<sup>65</sup> Department of Defense, *FY2002 Supplemental Request to Continue the Global War on Terrorism, March, 2002*, p. 7.

<sup>66</sup> James Dao, “Budget Concerns Are Raised on Continued Use of Guard,” *New York Times*, April 26, 2002.

<sup>67</sup> Department of Defense press release, “National Guard and Reserve Mobilized as of May 1, 2002;” see [<http://www.defenselink.mil/news/May2002/d200201ngr.pdf>].

<sup>68</sup> Department of Defense, *FY2002 Supplemental Request to Continue the Global War on Terrorism, March, 2002*, p. 28-29.

FY2002 supplemental and the FY2003 request, including the funding for JDAMs (see **Table 4**). This category funds not only smart munitions but also replacement and an increase in the number of Global Hawk (unmanned air vehicles – UAVs) and Predators (armed UAVs) that are being used for surveillance and reconnaissance in Afghanistan.

Concerned that JDAMs were being consumed faster than they could be replaced, DOD requested and received funding to increase the current productive capacity of about 1,500 per month. According to DOD, the additional funding requested in the FY2002 supplemental “will allow the JDAM production rate to increase in a more orderly manner,” will achieve the new, higher delivery rate of 2,800 missiles per month in August 2003 rather than July 2004, and will purchase an additional 17,900 missiles.<sup>69</sup>

Although some have questioned whether the plan to double productive capacity this quickly is realistic, apparently the military leadership were convinced by the manufacturers that a doubling of capacity in about a year is possible. Any expansion will be dependent on both the level and timing of funding. The high expenditure rates for JDAMs that were experienced in the early part of the war, which generated such concern among the military, may also have fallen in more recent months as the nature of the war has shifted towards surveillance rather than combat.

DOD’s FY2002 request for weapons and munitions also includes replacing one Global Hawk UAV and two sensor packages, and accelerating the production of Predator UAVs to two vehicles per month.<sup>70</sup> DOD also plans to purchase additional UAVs with funds provided in the first emergency supplemental, and with funds requested in the FY2003 budget.<sup>71</sup>

**Command, Control, Communications, and Classified Programs.** If the levels requested in the FY2002 supplemental and the FY2003 budget request are approved, DOD would receive an additional \$11.2 billion in command, control, communications, and classified programs to combat terrorism. (These funds would be in addition to the \$33.6 billion in the 2000 budget before the buildup to combat terrorism.<sup>72</sup>) There is little visibility on most of this request because many of the programs are classified. For example, of the \$1.5 billion requested in the FY2002 supplemental, \$1.4 billion is for classified programs. Similarly, there is no

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<sup>69</sup> Department of Defense, *FY2002 Supplemental Request to Continue the Global War on Terrorism, March, 2002*, p. 20. The Global Hawk is manufactured by Northrop Grumman Corporation, while the Predator is made by General Atomics Corporation.

<sup>70</sup> *Ibid*, p. 10.

<sup>71</sup> The table above includes the funding for “Offensive Counter-terrorism” and “Procurement” in the ETR and the 2003 Defense Emergency Response Fund request as for weapons and munitions. In FY2003, \$800 million for procurement in the DERF funds both UAVs and KC-130 and KC-135s surveillance aircraft; see OMB, *Budget of the United States, Appendix, FY2003*, p. 277.

<sup>72</sup> Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for 2003, March 2002*, p. 80; [<http://www.dtic.mil/comptroller/fy2003budget/FY03GBpdf.pdf>].

unclassified information on the FY2003 request of \$3.1 billion, which includes \$2.6 billion for classified programs, and \$540 million for continuity of operations, that is, for plans to protect key government personnel and facilities in case of attack.

**Coalition Support.** DOD's FY2002 request also includes up to \$550 million that DOD could distribute to countries who aid the U.S. in the "war on terrorism," including \$420 million for those countries who provide military and logistical support, indigenous forces who support the U.S., and other foreign governments who fight terrorism. These proposed new general provision would represent a new use of DOD funds, as well as signal a new role for DOD in the distribution of assistance to foreign governments as discussed below.

**House Action on the Administration's Defense Request.** There were several significant changes to the House bill during markup, but no changes to the bill during floor consideration.

**House Markup.** In markup, the House Appropriations Committee (HAC) recommends \$15.808 billion for the Department of Defense, an addition of \$1.786 billion. The additional funds are requested as contingent emergency funds leaving it up to the President to decide whether the additional funds are needed. In testimony before the Senate Appropriations Committee on May 7, 2002, Secretary of Defense opposed proposed increases to DOD's funding to activate reserves, stating that "... we have not asked for that money ... the administration is not requesting \$1.4 billion."<sup>73</sup>

The committee also provides \$378.4 million for Department of Energy defense-related activities, an increase of \$352 million over the request, and \$30 million for military construction, for which no money was requested. As the Administration requested, HAC provides most of the money for defense in the Defense Emergency Response Fund (DERF), agreeing that the Pentagon needs flexibility in allocating the funds. The committee did, however, extend last year's requirement for quarterly reports on the allocation of DERF funds and required DOD to track war costs separately as part of the regular reporting.

**Major Funding Changes.** The major committee changes to the request include:

- ! \$790 million added for reserve mobilization costs in the DERF. This has been a controversial matter. On May 7, Secretary of Defense Rumsfeld told the Senate Appropriations Committee that DOD had not requested and did not need the additional funds. The Administration specifically objected to the original draft of the House Appropriations Committee bill, which would have required the Administration to release the added money for reserve mobilization in order to gain access to the other defense money.

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<sup>73</sup> Secretary of Defense Daniel Rumsfeld testifying before the Senate Appropriations Committee, May 7, 2002, *Political Transcripts by Federal Document Clearing House*, Dow Jones Reuters.

That provision was reportedly altered in committee markup by an amendment offered by Committee Chairman Bill Young.

- ! \$604 million added in the DERF for additional support of service counter-terrorism operations.
- ! \$117 million for Army overseas operations not provided in the DERF.
- ! \$100 million to accelerate chemical demilitarization.
- ! \$36.5 million for F-15 radio upgrades.
- ! \$20 million in research and development for remote chemical-biological weapons detection.
- ! \$30 million for classified projects.
- ! \$30.5 million for military construction projects.
- ! \$125 million for the Department of Energy for security at nuclear weapons facilities and for weapons and material transportation security.
- ! \$128 million for additional security for Corps of Engineers facilities.
- ! \$5 million for the Department of Energy for international non-proliferation measures, including implementation of the U.S.-North Korea "Agreed Framework."
- ! \$67 million for the Department of Energy for security at environmental cleanup sites.
- ! \$16.6 million for the Department of Energy for security of facilities closure projects.

**Major Policy Changes.** The Committee also revises the language in two controversial provisions proposed by the Administration, which would have permitted the Department of Defense to provide \$30 million to "indigenous forces" and \$100 million to "foreign nations," in defense articles, services, training, for their support to the U.S. in the global war on terrorism.

In addition to reducing the funding to \$100 million, the Committee required that the Secretaries of State and Defense send a joint notification and receive approval from the Appropriations Committees. The bill also limits reimbursements to support by foreign nations of U.S. military forces (see also section on congressional action below). The Committee apparently did not modify, however, a similar provision requested by the Administration, which gives DOD sole authority to use up to \$420 million to reimburse nations who provide military and logistical support to the war on terrorism.

**Senate Action on the Administration's Defense Request.** The Senate made no changes in funding of the DOD request in markup or on the floor. The Senate provided the same amount of funding, and the same distribution as requested by the Administration: \$14.0 billion overall, with \$11.3 billion of that total in the Defense Emergency Response Fund for war-related costs. Since the House provided \$1.8 billion above the Administration's request for additional operating expenses and paying to activate reservists, the overall funding level will be a conference item. The House provided the funds as a contingent emergency, allowing the President to decide whether the funds are in fact, needed.

The Senate did, however, include different language than the House or the Administration governing the provision of aid to nations who aid the U.S. in the war on terrorism, making this a conference issue (see discussion below).

## Foreign Aid to “Front-Line” States

The Administration seeks \$1.28 billion in additional FY2002 Foreign Operations funding, primarily to increase economic, military, and counter-terrorism assistance to so-called “front-line” states in the war on terrorism. Although the complete list remains classified, the United States has placed a growing priority on increasing assistance to over 20 nations representing not just those bordering Afghanistan or located in the region, but including countries globally that have committed to helping the United States in the war on terrorism. Administration officials have publically identified some of those front-line states for whom supplemental assistance is sought.<sup>74</sup>

If enacted, the supplemental would nearly double the level of assistance allocated in FY2002 for emergency foreign assistance to combat terrorism. Beginning in October 2001, the President distributed \$1.5 billion for Foreign Operations programs, drawn from the \$40 billion emergency terrorism supplemental approved by Congress shortly after September 11 (P.L. 107-38). The proposed supplemental also includes several policy changes related to foreign aid activities that may raise controversy during congressional debate.

**Funding Issues.** The content of the \$1.28 billion foreign aid supplemental sharply contrasts with the types of assistance previously provided to front-line states and appears to respond somewhat to critics, including many in Congress, who argued that the President’s FY2003 Foreign Operations budget did not adequately address the new terrorism threat. Much of the \$1.5 billion emergency aid already distributed focused on two areas: 1) economic support to Afghanistan and neighboring countries in anticipation of food shortages, displacement and other social disruptions that would occur during the military campaign; and 2) efforts to stabilize the security and economic situation in Pakistan and demonstrate support for President Musharraf. By contrast, the proposed \$1.28 billion supplemental would distribute additional economic and military assistance among 23 countries in all regions of the world.

When the Administration announced its FY2003 budget request in early February, officials said that amounts for Afghan reconstruction needs beyond 2002 would be added to the request later, though a decision about whether to seek supplemental foreign aid this year had not been reached. Initial congressional reaction, however, was critical, with Appropriation Subcommittee chairmen Representative Kolbe and Senator Leahy, calling the request inadequate in face of the war on terrorism.<sup>75</sup> The budget plan for FY2003 includes large amounts for a few

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<sup>74</sup> The Administration has not identified those states that DOD would assist for their help in the war on terrorism.

<sup>75</sup> See statement of Congressman Kolbe during a February 13, 2002, hearing of the House Foreign Operations Subcommittee on the FY2003 foreign affairs budget; and a February 26, (continued...)

key front-line states – Jordan, Pakistan, and India. But for many others, aid would grow only modestly, leading some to characterize the request as a “business-as-usual” foreign aid budget.

In several respects the \$1.28 billion supplemental proposal reflects what many said should have been incorporated in the FY2003 plan. Although like the FY2003 budget, the request includes significant amounts for Pakistan (\$145 million) and Jordan (\$125 million), it distributes considerable amounts of aid to Central Asian states that would not receive substantial increases in FY2003 and to nations globally. Key highlights include:

- ! Afghanistan – \$250 million in economic, military, and counter-narcotics support. This comes on top of \$297 million pledged for reconstruction needs this year.
- ! Middle East – in addition to Jordan, nearly \$80 million (mostly military aid) for three key regional countries – Bahrain, Oman, and Yemen – that have provided considerable support to the United States.
- ! Philippines – \$40 million to help Manila combat its own terrorist insurgency in the Mindanao region.
- ! Africa – \$55 million to several key regional states cooperating in the war on terrorism.
- ! Central Asia – \$135 million for five regional states, exceeding amounts requested for FY2003 for Kyrgyz Republic, Tajikistan, and Uzbekistan.
- ! Turkey – \$228 million, primarily for economic support.
- ! Colombia – \$35 million, with most focused on anti-kidnaping training.

**Table 5** provides details on country and program distributions in the supplemental request, and compares that request to enacted aid levels for FY2001 and 2002, and to requested amounts for FY2003.

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<sup>75</sup> (...continued)

2002, press release by Senator Leahy regarding the Senate Foreign Operations Subcommittee hearing on the FY2003 request for the U.S. Agency for International Development.

**Table 5. FY2002 Supplemental Compared with Enacted & Requested**  
(\$s – millions)

Country/Program	FY2001 Enacted	FY2002 Enacted	FY2002 Supplemental Request	FY2002 Supp. House <sup>a</sup>	FY2002 Supp. Senate <sup>a</sup>	FY2003 Request
<i>South Asia:</i>						
Afghanistan	–	\$297.0	\$250.0	\$370.0		TBD
Nepal	\$21.3	\$30.0	\$20.0			\$41.2
Pakistan	\$3.5	\$921.0	\$145.0			\$305.0
<i>Middle East</i>						
Bahrain	\$0.2	\$0.4	\$28.5			\$0.5
Jordan	\$226.2	\$227.0	\$125.0			\$450.4
Oman	\$0.0	\$0.3	\$25.0			\$20.3
Yemen	\$4.2	\$5.5	\$25.0			\$12.7
Economic Initiative	–	–	\$50.0	\$25.0	\$50.0	–
Israel	\$2,813.8	\$2,788.0	\$0.0	\$200.0	\$200.0	\$2,700.0
Palestinians	\$71.0	\$72.0	\$0.0	\$50.0	\$50.0	\$75.0
<i>East Asia</i>						
Indonesia	\$121.0	\$124.7	\$16.0	\$8.0	\$16.0	\$71.9
Philippines	\$50.4	\$92.1	\$40.0			\$93.1
<i>Africa</i>						
Cote d'Ivoire	\$2.8	\$3.1	\$2.0		\$0.0	\$3.1
Djibouti	\$0.2	\$0.2	\$6.0			\$0.2
Ethiopia	\$40.6	\$46.8	\$12.0			\$51.1
Kenya	\$34.6	\$40.7	\$22.0			\$48.8
Mauritania			\$1.0			
Nigeria			\$2.0			
Southern Sudan	\$4.5	\$11.4	\$10.0			\$22.3
<i>Europe/Eurasia</i>						
Georgia	\$97.8	\$100.9	\$20.0			\$95.2
Kazakstan	\$48.4	\$48.6	\$3.5			\$47.0
Kyrgyz Republic	\$35.2	\$37.6	\$42.0			\$41.1
Tajikistan	\$16.7	\$19.9	\$40.0			\$22.5
Turkey	\$1.7	\$22.7	\$228.0			\$20.3
Turkmenistan	\$7.3	\$7.6	\$4.0			\$8.2
Uzbekistan	\$28.4	\$95.6	\$45.5			\$41.5
<i>Latin America</i>						
Colombia	\$49.0	\$381.7	\$35.0			\$538.2
Mexico	\$31.1	\$35.6	\$25.0	\$25.0		\$43.6

Country/Program	FY2001 Enacted	FY2002 Enacted	FY2002 Supplemental Request	FY2002 Supp. House <sup>a</sup>	FY2002 Supp. Senate <sup>a</sup>	FY2003 Request
Ecuador	\$16.4	\$47.5	\$3.0			\$65.8
Regional Border Control	–	–	\$5.0			–
Global						
Antiterrorism Training	\$38.0	\$83.5	\$20.0			\$64.2
Terrorist Financing	–	–	\$10.0			–
Terrorist Interdiction	\$4.0	\$8.0	\$10.0			\$5.0
USAID admin/security	–	–	\$7.0	\$7.0	\$5.0	–
Defense admin costs	–	–	\$2.0	\$2.0		–
HIV/AIDS, TB, Malaria, & Global Fund	\$573.0	\$653.0	\$0.0	\$200.0	\$200.0	\$762.0
Demining	\$40.0	\$40.0	\$0.0	\$0.0	\$10.0	\$45.0
Migration/Refugee aid	\$698.0	\$705.0	\$0.0	\$0.0	\$50.0	\$705.6
<b>TOTAL</b>	<b>\$5,079.3</b>	<b>\$6,947.4</b>	<b>\$1,279.5</b>	<b>\$1,816.5</b>	<b>\$1,779.5</b>	<b>\$6,400.8</b>

**Sources:** Department of State and House Appropriations Committee.

<sup>a</sup> The House-passed and Senate-reported bills direct or recommend allocations for specific countries/programs in only selected cases. These directives and recommendations are noted in this column. The table does not include rescissions.

**Policy Issues.** The supplemental request includes several general provisions that would change current policy positions regarding the distribution of military aid, assistance to Colombia, and conditions under which regular foreign aid is transferred. Each are expected to be closely examined during congressional debate.

**DOD's Role in Military Aid Allocations.** Currently, the State Department receives funding through the Foreign Military Financing (FMF) account of the Foreign Operations Appropriations and provides broad policy direction for U.S. military assistance programs. DOD frequently administers FMF activities, but under the policy guidance of the State Department. The Administration proposes in the FY2002 supplemental to grant DOD authority to use up to \$30 million to support indigenous forces engaged in activities combating terrorism and up to \$100 million to support foreign government efforts to fight global terrorism. The \$130 million total would come from defense funds, and be directed by the Secretary of Defense and be available “notwithstanding any other provision of law.” A third provision proposes \$420 million in DOD Operation and Maintenance funding for payments to Pakistan, Jordan, and “other key cooperating states for logistical and military support

provided” to U.S. military operations in the war on terrorism that would also be under DOD’s policy purview.

DOD officials say that these provisions are essential to help reimburse countries for costs they incur in assisting U.S. forces engaged in the war on terrorism. The United States had to delay payments to Pakistan for support provided in Operation Enduring Freedom because of competing demands on regular military aid funds and the absence of agreements between DOD and the Pakistan military that would allow such transfers out of the defense budget. Nevertheless, critics charge that such a change would infringe on congressional oversight and the State Department’s traditional role in directing foreign aid policy and resource allocations. By including a “notwithstanding” proviso, the request further would remove human rights and other conditions that must be observed by countries in order to qualify for U.S. security assistance.

At a House hearing on April 18, Deputy Secretary of State Armitage told the Foreign Operations Appropriations Subcommittee that although the State Department supports the “intent” of the provisions, the Administration drafted the legislation in a “rather poor way” and that the authority “is a little broader in scope than we really intended.” Secretary Armitage pledged that both State and DOD officials would work with Congress to adjust the provisions in a way that would protect the prerogatives of the Secretary of State as the “overseer of foreign policy and foreign aid.”<sup>76</sup>

**Colombia Aid Restrictions.** An additional supplemental general provision seeks to broaden DOD and State Department authorities to utilize unexpended Plan Colombia, FY2002 and FY2003 appropriations to support Colombia’s “unified campaign against narcotics trafficking, terrorist activities, and other threats to its national security.”<sup>77</sup> The provision would broaden significantly the scope of how U.S. assistance could be used by Colombia – not only for counter narcotics operations, but also for military actions against Colombian insurgents and any other circumstances that threatened Colombian national security.<sup>78</sup>

Although the most immediate effect of the change would be to permit the United States to expand how it shares intelligence information with Colombian security forces, the provision would also allow helicopters and other military equipment provided over the past two years to fight drug production to be used against any threat to Colombia’s security.

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<sup>76</sup> Testimony by Secretary of State Armitage before the Foreign Operations Subcommittee, Senate Appropriations Committee, April 18, 2002.

<sup>77</sup> Department of Defense, *FY2002 Supplemental request to Continue the Global War on Terrorism*, March 2002, see page 28; also available on DOD’s web site at [[http://www.dtic.mil/comptroller/fy2003budget/fy2002\\_supp.pdf](http://www.dtic.mil/comptroller/fy2003budget/fy2002_supp.pdf)].

<sup>78</sup> For additional information, see CRS Report RL31383, *Andean Regional Initiative (ARI): FY2002 Supplemental and FY2003 Assistance for Colombia and Neighbors*, by Larry Storrs and Nina Serafino.

The Administration, however, is not asking Congress to soften two other Colombia aid restrictions concerning a 400 person limit on U.S. personnel inside Colombia and the prohibition of aid to Colombian military and police units that are engaged in human rights violations (Leahy amendment). Despite the inclusion in the request that past and future FY2003 aid be available “notwithstanding any provision of law” – except for the two restrictions noted above – Administration officials say they are not seeking to remove other enacted conditions on Colombian aid, such as those related to human rights and aerial coca fumigation. Coupled with a pending FY2003 \$98 million military aid request to help protect Colombia’s oil pipeline and other infrastructure against guerilla activity, critics argue that the U.S. objective in Colombia is shifting from one of combating narcotics production and trafficking to a counter-terrorism and insurgency strategy.

***Removal of Restrictions for Other Economic and Military Assistance.*** The Administration’s supplemental submission asks Congress to provide most of the economic and military aid funds “notwithstanding any other provision of law.” This is a relatively unusual request for foreign aid appropriations, usually reserved for situations where humanitarian assistance or aid in support of the highest U.S. foreign policy interests would be prohibited due to existing legislative restrictions on assistance to governments that violate human rights, engage in weapons proliferation, came to power through a military coups, do not cooperate in counter-narcotics activities, or a series of other similar aid conditions.

Because of its sweeping and broad nature, Congress has often been reluctant to enact such a waiver without fully understanding the implications of excluding foreign aid restrictions. More often, Congress prefers to waive specific legislative constraints rather than approving across-the-board waivers. Administration officials have said that the impediments apply to Afghanistan, Yemen, and Ethiopia because they are overdue in making debt payments to the U.S. (Brooke amendment, section 512 of the Foreign Operations Appropriations, FY2002) and to Cote d’Ivoire because of the military coup against a democratically elected government in 1999 (section 508 of the Foreign Operations Appropriations, FY2002).

**Congressional Action on the Administration’s Foreign Aid Request.** House and Senate action have increased foreign aid funding proposed by the President, but have limited to some extent policy provisions and waivers sought by the White House. Both chambers also introduced two new issues into the supplemental debate – additional funding to fight global HIV/AIDS and the status of U.S. contributions to the U.N. Population Fund (UNFPA).

The House passed bill includes \$1.82 billion for foreign aid, \$537 million more than requested. The Senate measure provides \$1.78 billion, or \$500 million higher than proposed. New items added by both the House and Senate include \$200 million in assistance to Israel, \$50 million for the Palestinians, and \$200 million to combat HIV/AIDS, malaria, and tuberculosis. Both versions increase aid to Afghanistan for reconstruction and security support above the President’s \$250 million request: the House by \$120 million and the Senate by roughly \$110 million. The House measure reduces funding for a Middle East Economic initiative, while the Senate provides full funding. The Senate bill further adds \$15 million to create an international exchange program for students from countries with large Muslim populations, \$7 million to

support media training activities, especially in Pakistan, Egypt, and elsewhere in the Middle East, and \$10 million for humanitarian demining. In most other areas, the bills recommend amounts close to those proposed (see **Table 5**, above).

On policy issues, both bills remove the requested “notwithstanding any provision of law” provisos, but the House legislation still grants specific waivers that will permit the State Department to program most of the funds as proposed. The Senate-passed measure waives the debt arrears provision for Afghanistan, but not for other recipients that might fall under this restriction. On Colombia, both bills include language similar but less sweeping than the Administration’s request. Each would allow Colombia to use American foreign aid (money managed by the State Department) for a unified campaign against narcotics trafficking, against organizations designated as terrorist groups, and for humanitarian rescue operations. All current restrictions on Colombian aid, however, would remain in effect. The Senate bill further adds a new requirement regarding the newly elected Colombian President and policies regarding human rights, military reforms, and financial commitments to implement other reforms. The House and Senate differ, however, on broadening the use of DOD funds for programs in Colombia. The House measure allows the money to finance operations against terrorist groups, while the Senate bill rejects the Administration’s request.

Both bills further deny DOD’s request for authority to use \$30 million to support indigenous forces engaged in activities combating terrorism, but approve \$420 million for payments to Pakistan, Jordan, and other cooperating states for logistical and military support provided. The Senate bill, however, transfers the \$420 million to the Foreign Military Financing (FMF) program where it would fall under control of the State Department. The bill calls for the State Department to consult with DOD and OMB before dispensing funds and also allocates \$50 million to the Philippines. The White House opposes the Senate language, arguing that the State Department “should not be held accountable for managing or disbursing funds directly related to military operations.”<sup>79</sup>

H.R. 4775, as passed by the House, approves DOD’s request for \$100 million to support foreign government efforts to fight global terrorism, but with significant changes. Transfers would be limited only to reimbursements for the costs of goods, services, or use of facilities by U.S. military forces and any proposed commitment of funds must be submitted jointly to the Committees by the Secretaries of State and Defense 15 days in advance for Committee approval. The Senate measure does not include a provision related to this issue.

During House Committee markup, another contentious foreign aid policy issue was introduced. Since mid-January, the White House has maintained a hold on U.S. contributions to the U.N. Population Fund (UNFPA) because of allegations that UNFPA is participating in the management of coercive family planning practices in China. If the White House determines that this is the case, UNFPA would become ineligible for American contributions. For FY2002, Congress provided “not to

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<sup>79</sup> Letter from OMB Director Daniels to Senate Appropriations Committee Chairman Robert Byrd, June 17, 2002.

exceed” \$34 million for UNFPA, and some Members have criticized the White House for delaying a decision regarding UNFPA’s eligibility. A State Department investigation team spent two weeks in China during May.

After initially adopting an amendment by Representatives Lowey and Kolbe (32-31) that would require the President to transfer the full \$34 million to UNFPA by July 10 if the State Department team concludes that UNFPA is not involved in coercive family planning practices in China, the Committee approved a further amendment by Representative Tiahrt that over-rode the Lowey/Kolbe provision. The Tiahrt amendment required the President to determine whether UNFPA participates in the management of coercive family planning practices by July 31, 2002, but said nothing about how much the President must contribute. Prior to final passage of H.R. 4775, however, the second rule (H.Res. 431) under which the bill was debated deleted both amendments from the legislation. As such, the House-passed measure does not include any language regarding UNFPA. Nevertheless, the Senate bill includes language nearly identical to Lowey/Kolbe text.

Under any of these amendments, a determination that UNFPA is involved in coercive practices would result in the termination of U.S. support. Without such a determination, however, the Senate and Lowey/Kolbe amendments would require the President to transfer the full \$34 million. Under the Tiahrt provision, however, the President could reduce the U.S. contribution to something less than \$34 million to express displeasure over alleged coercive family practices in China and UNFPA’s involvement. The White House strongly opposes the Senate language, but says it plans to issue a determination regarding the UNFPA contribution by the July 10 date referenced in the Senate bill.

## **Aviation Security Issues<sup>80</sup>**

Established on November 19, 2001, by the Aviation and Transportation Security Act (ATSA) (P.L. 107-71), the new Transportation Security Administration (TSA) is responsible for the security of all modes of transportation. Responsibility for airport security is transferred from Federal Aviation Administration (FAA) control to the new agency.

To pay for enhancements in aviation security mandated in the new law, the ATSA may collect fees from passengers, and air carriers. The Administration is also requesting a supplemental appropriation of \$4.4 billion to pay for enhanced airport security.

In hearings, controversy is developing about several issues, including:

- ! whether the TSA will be able to meet the new security requirements that were enacted in the wake of the terrorist attacks;
- ! whether the funding requested in the FY2002 emergency supplemental is adequate and sufficiently defined in the request;

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<sup>80</sup> This section was prepared by D. Randy Peterman, Resources, Science, and Industry Division.

- ! whether the size of the aviation security workforce can be accurately estimated at this time;
- ! the appropriate mix of types of explosive detection equipment for baggage screening; and
- ! whether TSA should reimburse airports fully for federally-required increases in security costs rather than funding those costs with airport capital improvement funds.

**New Security Requirements.** To enhance aviation security, the Aviation and Transportation Security Act required several significant changes in current procedures, including:

- ! the screening of all individuals, goods, property, vehicles, and other equipment that move within secure areas at airports;
- ! the replacement of privately-hired contract screeners with federal workers by November 19, 2002;
- ! the use of federal workers for all screening activities at all but five commercial airports (where pilot programs using contract private screeners under federal oversight would be used) for two years;
- ! the deployment of Federal Air Marshals on every passenger flight that may present a high security risk; and
- ! the installation of explosive detection systems in place at airports by December 31, 2002.

**Cost of Enhanced Aviation Security.** At least some members of Congress expected that the TSA would be able to cover its budget requirements with the proceeds of two fees it was authorized to levy – a security fee on passenger tickets and a fee on the airlines. On an annual basis, the passenger fee is estimated to bring in about \$1.5 billion and the airline fee about \$700 million.<sup>81</sup> As the costs of carrying out the enhanced security are becoming clearer, however, it appears that these fees may not be sufficient.

In the FY2002 emergency supplemental, the Administration requested \$2.5 billion as an emergency appropriation and an additional \$1.9 billion as a “contingent emergency” appropriation to be held in reserve until the Administration has a better understanding of what the TSA’s needs are. For FY2003, the President requested \$4.8 billion for the agency.

Among issues that may arise are whether Congress will approve funds designated as contingent emergency funds, if Congress would not know how the monies would be spent, whether airports can meet the current deadline for deploying explosive detection systems, the size of the new federal workforce to be hired, and the adequacy of the Administration’s request.

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<sup>81</sup> After two years, airports will have the option of contracting with private companies for screening rather than using federal workers. The air carrier fee is also only authorized for two years.

**Funding Issues.** The Administration's proposal that Congress approve \$1.9 billion as a contingent emergency, with no detail about costs, was not well received by some appropriators, who likened it to signing blank checks. On the other hand, the DOT's Inspector General suggested that Congress actually make an even larger portion of the Administration's request – \$2 to \$2.25 billion rather than \$1.9 billion – contingent on TSA submitting periodic detailed budget estimates in light of the uncertainty surrounding the agency's needs for the current fiscal year.

The Transportation Security Administration has not definitely decided the number or the type of explosive detection systems needed to check baggage. Nor does the agency know the size of the required total workforce. One machine under consideration is the size of a small minivan and relies on computed tomography (CT), the same technology used for medical purposes. These large machines cost \$1 million apiece but require fewer screeners than a smaller, less sophisticated, and cheaper machine that relies on swabbing of bags to detect explosive materials, and would cost \$45,000 each but require more screeners and be more intrusive.

When the Act was passed, it was estimated that about 30,000 employees would be needed for aviation security. The new requirement to screen luggage as well as passengers could require an additional 25,000 to 30,000 employees. With other administrative personnel, some have estimated that the number of TSA employees could reach 70,000.<sup>82</sup>

Another significant unknown is the cost of reconfiguring airports to make use of the explosive detection systems. One estimate puts this cost at \$2 billion.<sup>83</sup> It is not yet clear who would pay for this additional cost. Nor is it clear whether enough machines can be manufactured in time to meet the deadline. These uncertainties about the types of machines, the size of the workforce, and the likelihood of meeting statutory deadlines have already surfaced during congressional consideration of the Administration's request for \$4.4 billion in emergency supplemental funding for TSA.

**House Action on the Administration's Aviation Request.** In markup, the House Appropriations Committee reduces spending for the Transportation Security Administration by \$550 million, to \$3.9 billion. After initially adding a provision that would double the tax on airline tickets – thus providing a \$150 million offset – the House panel voted to delete the section, which faced strong opposition from the airline industry. Instead, the committee reduced the amount of funding for the Transportation Security Administration in the supplemental by an additional \$150 million. The supplemental funding for enhanced aviation security includes:

- ! \$630 million to purchase explosive detection systems to screen baggage;

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<sup>82</sup> See statement of Kenneth M. Mead, Inspector General, U.S. Department of Transportation, *Key Budget Issues Facing the Transportation Security Administration*. Testimony before the House Committee on Appropriations, Subcommittee on Transportation, April 17, 2002.

<sup>83</sup> *Ibid.*

- ! \$850 million to remodel airports so they can accommodate the new devices; and
  - ! \$75 million to improve port security.<sup>84</sup>
- No changes were made during House floor debate.

**Senate Action on the Administration's Aviation Request.** Although both the House and the Senate were dissatisfied with the justification materials provided by the new Transportation Security Administration (TSA) for its plans and funding for aviation security, the House reduced the Administration's \$4.4 billion request to \$3.85 billion and the Senate provided the entire amount. The Senate was also concerned about the privacy implications raised by the TSA's decision to opt for more trace detection machines which require that passengers open their bags.

In addition to aviation security, the Senate's bill provides and additional \$200 million for various port security initiatives that would develop ways to inspect cargo at high volume ports. The total in FY2002 would be nearly \$300 million. S. 2551 also provides additional funding for security measures at the perimeters of airports and for bus operations as well (see **Appendix A-2**). During Senate floor debate, a provision that would cap emergency loans to airlines was struck (see above).

## Aid to New York City

In a Rose Garden meeting with Governor George Pataki and New York City Mayor Michael Bloomberg on March 7, President Bush pledged to give New York City a total of \$21.5 billion in aid to help the city recover from the terrorist attacks on September 11, 2001. This announcement was intended to meet the President's earlier commitment shortly after the attacks to give the city more than \$20 billion in aid as well as respond to congressional concerns raised during debate about the Emergency Terrorism Response (ETR) supplemental. Congressional concern paralleled the language included in the ETR, which called for not less than \$20 billion to be "allocated for disaster recovery activities and assistance related to the terrorist acts in New York, Pennsylvania, and Virginia on September 11, 2001."<sup>85</sup>

Combining the request for \$5.5 billion for aid to New York in the FY2002 emergency supplemental with \$5 billion in business tax credits for Lower Manhattan passed by the House in early March, and funding already provided in the ETR, the Administration contends that New York City would receive a total of \$21.5 billion.<sup>86</sup> The FY2002 emergency supplemental includes \$5.5 billion in funding for aid to New

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<sup>84</sup> House Appropriations Committee, "Full Committee Reports FY2002 Emergency Supplemental," *Press Release*, May 15, 2002; for web access, see [[http://www.house.gov/appropriations/news/107\\_2/03supfull.htm](http://www.house.gov/appropriations/news/107_2/03supfull.htm)].

<sup>85</sup> P.L. 107-38.

<sup>86</sup> Raymond Hernandez, "Bush Reassures New Yorkers on Aid Package," *New York Times*, March 8, 2002. The Administration apparently assumes that \$10 billion is included for New York City in the ETR.

York provided by FEMA disaster assistance, Community Development block grants and transportation grants to rebuild mass transit, and roads.<sup>87</sup>

**FEMA Request.**<sup>88</sup> Of the Administration's \$3.1 billion request for the Federal Emergency Management Agency (FEMA), \$2.75 billion, or 88%, is for the Disaster Relief Fund (DRF) administered by FEMA.<sup>89</sup> That fund is used to help communities recover from and rebuild after major disasters as designated by the President under the Stafford Act.<sup>90</sup> Combined with \$6.6 billion allocated to FEMA in the first emergency supplemental, the total for disaster assistance would be \$9 billion, a historic high for eligible costs. According to FEMA, most of the funds allocated to New York City in the first emergency supplemental were released within two months of the attack.<sup>91</sup>

Some, however, may contend that considerably more recovery assistance is needed. For example, a report issued by a partnership of economic development organizations in New York City reported that "the city's economy will sustain a gross loss of approximately \$83 billion due to the attack, including \$30 billion in capital losses, \$14 billion in cleanup and related costs and \$39 billion in loss of economic output to the economy."<sup>92</sup> Only some of those types of costs, however, would be eligible for FEMA funding.

The Stafford Act limits FEMA assistance to individuals and families, state and local governments, and non-profit organizations that provide essential services. Although some have argued that the Stafford Act should be amended to authorize federal assistance to for-profit enterprises such as utilities and medical centers, others want to retain the current criteria, and rely on other federal programs to aid private corporations.

**HUD Community Development Block Grants.**<sup>93</sup> In order to meet the needs of utilities and other businesses – reportedly in need of millions of dollars in assistance after the September attacks – the Administration's request includes \$750 million for the Community Development Block Grant (CDBG) program administered

<sup>87</sup> Letter of OMB Director, Mitch Daniels, to President George Bush forwarding request for \$27.1 billion in emergency funding, March 20, 2002"; text available online from GPO's web site at [<http://www.dtic.mil/comptroller/fy2003budget/FY03GBpdf.pdf>].

<sup>88</sup> This section was prepared by Keith Bea, Government and Finance Division.

<sup>89</sup> The remaining \$326.5 million is for grants to state and local governments for first responder teams, see Appendix A.

<sup>90</sup> 42 U.S.C. 5121 et seq., popularly known as the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

<sup>91</sup> U.S. Federal Emergency Management Agency, Office of Congressional and Intergovernmental Affairs, personal communication with CRS, Nov. 13, 2001.

<sup>92</sup> New York City Partnership and Chamber of Commerce, *Working Together to Accelerate New York's Recovery*, (New York, 2002); see [<http://www.nycp.org/impactstudy/EconImpactStudy.pdf>].

<sup>93</sup> This section was prepared by Eugene Boyd, Government and Finance Division.

by the Department of Housing and Urban Development (HUD). According to press reports, these funds are intended primarily to help Con Edison and Verizon rebuild their facilities.<sup>94</sup>

One of the chief advantages of these grants is that state and other eligible local governments are given broad discretion and flexibility in the use of funds. Although the Community Development Block grants program is designed to foster economic development and benefit primarily low- and moderate-income persons, Congress has routinely waived specific programmatic requirements, and used the funds to support disaster recovery efforts, including assistance to Oklahoma City following the bombing of the Alfred Murrah Building, and to aid utilities affected by disasters, notably the ice storm that paralyzed much of New England in 1998.<sup>95</sup>

Under the 2001 Emergency Terrorism Response supplemental, New York City received \$2.7 billion in CDBG funding for disaster recovery activities that is to be administered by the Lower Manhattan Development Corporation (LMDC). A non-profit corporation created to direct the redevelopment of the World Trade Center area, the Lower Manhattan Development Corporation is to use those funds to assist individuals, non profits, and small businesses recover from economic losses resulting from the September 11, 2001, terrorist attacks.

The President's proposed FY2002 supplemental appropriations request would appropriate \$750 million in additional CDBG assistance to be administered by the LMDC. These funds would be used to rebuild utility infrastructure damaged or destroyed by the September 11, 2001 attacks, and to reimburse New York State and New York City's regular CDBG allocation for costs incurred in response to the September 11 attack on the World Trade Center.

**Transportation Grant Funds.** The Administration's FY2002 emergency supplemental includes \$1.8 billion to pay the costs of rebuilding Manhattan's public mass transit that would not be covered by FEMA funds for disaster recovery as well as \$167 million to repair roads like the West side highway that are eligible for federal funds.

FEMA funds can only be used to remove debris, and repair and replace subways and train stations, but not to redesign or modernize current systems as desired by New York officials. In a meeting with Members of Congress in mid-April, New York officials outlined a proposal to modernize and rebuild the Lower Manhattan

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<sup>94</sup> Edward Wyatt and Randy Kennedy, "\$7 billion Estimate to Rebuild Transit Near Ground Zero," *New York Times*, April 20, 2002.

<sup>95</sup> Consistent with the practice in previous disasters, the FY2002 emergency supplemental would permit HUD to waive the specific programmatic requirements of the statute - that programs benefit primarily low and moderate income persons, help eliminate slums or counter urgent health and safety threats - the grants would still have to comply with regulations related to fair housing, nondiscrimination, environmental review, and labor standards. For use of CDBG funds to aid communities in 1998, see P.L. 105-174, 112 Stat. 76.

transportation system that would cost \$7.3 billion.<sup>96</sup> Those plans could require using a mix of FEMA funds from those already available or the new request as well as tapping other sources in the FY2002 emergency supplemental. Congress is likely to face some pressure to add to or re-allocate funds included in the Administration's request to help New York City to carry out these plans.

**House Action on the Administration's New York City Request.**

Action taken by the House Appropriations Committee during its markup provides the full \$5.5 billion in aid to New York City, as requested. The panel, however, allocates \$175 million for first responder support to the Department of Justice rather than FEMA, as proposed. Initially, the Committee recommended that the money be managed by the Office of Homeland Security, but switched to the Justice Department after White House objections. No changes were made on the House floor.

**Senate Action on Administration's New York City Request.** Like the House, the Senate provided the \$5.5 billion in aid for New York that was requested by the Administration. New York City might also receive additional funding under the various first responder grants programs.

**Aid for Dislocated Workers**

The Administration supplemental proposes \$750 million in assistance for dislocated workers. In markup, the Committee reduces that request to \$300 million. Of \$450 total aid, \$190 million would be provided as National Emergency Grants to be used for projects that would link high-growth sectors where there are shortages of workers with state, community college, and DOL training programs. The remaining \$110 million would restore a previous rescission of monies for states for dislocated worker assistance.

**House Action on Aid to Dislocated Workers.** The House bill provides \$300 million in aid for dislocated workers, \$450 million below the request. The funds are also limited to National Emergency grants and Workforce Investment Act grants, with no funding for demonstration programs or long-term economic assistance (see **Appendix A-2**). No changes were made on the floor.

**Senate Action on Aid to Dislocated Workers.** The Senate bill provides \$400 million in aid, with some funding targeted to demonstration projects and long-term assistance (see **Appendix A-2**) though the total provided is \$350 million below the request. The Senate bill calls for targeting assistance to those states whose funds were reduced as a result of changes in award formulas, and to those states who have spent most of their funds.<sup>97</sup> No changes were made on the Senate floor.

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<sup>96</sup> Edward Wyatt and Randy Kennedy, "\$7 Billion Estimate to Rebuild Transit Near Ground Zero," *New York Times*, April 20, 2002.

<sup>97</sup> Senate Appropriations Committee, S.Rept. 107-156, *Making Supplemental Appropriations for Further Recovery*, " May 29, 2002, p. 70.

## Appendix – FY2002 Emergency Supplemental Request Organized by Appropriations Bill and Account

The following 13 tables provide details of the \$27.1 billion FY2002 emergency supplemental allocation, organized according to appropriation bills and accounts.

**Table A-1. Summary of All Appropriations Bills**

(\$s – millions, discretionary budget authority)

Appropriations Bill	Request	House action	Senate action	Enacted
Agriculture & Related Agencies	\$66.0	(\$345.0)	\$352.5	-
Commerce, Justice, State	\$427.7	\$753.6	\$1,280.2	-
Defense & Military Construction	\$14,022.0	\$15,799.5	\$14,022.1	-
District of Columbia	\$0.0	\$0.0	\$68.3	-
Energy & Water Development	\$26.4	\$378.4	\$335.4	-
Foreign Operations	\$1,122.50	\$1,597.5	\$1,545.5	-
Interior	(\$10.0)	\$57.3	\$50.5.0	-
Labor, Health/Human Services, Education/a/	\$1,976.00	\$1,270.0	\$1,802.0	-
Legislative Branch	\$15.4	\$25.2	\$11.1	-
Transportation	\$6,644.8	\$5,075.3	\$7,428.4	-
Treasury, Postal Serv, Executive Office of President, & Gen Govt	\$146.3	\$651.5	\$198.5	-
Veterans, Housing & Urban Dev, & Independent Agencies/b/	\$3,975.5	\$3,511.3	\$4,433.8	-
<b>TOTAL/a/ /b/ /c/</b>	<b>\$28,412.6</b>	<b>\$28,774.6</b>	<b>\$31,528.3</b>	-

**Notes:**

<sup>a</sup> The Administration included a request for \$1.3 billion in supplemental funding for FY2002 Pell grants in its FY2003 budget, with equal offsets from reductions in funds added by Congress to Labor, HHS, and the Department of Education. The House and the Senate Appropriations Committees both provided \$1 billion for Pell grants but did not accept the offset.

<sup>b</sup> Does not include \$1.1 billion in mandatory spending for veterans eligible for disability payments, requested by the Administration on May 15, 2002 and included by the Senate.

<sup>c</sup> Totals include rescissions and non-emergency spending; includes scoring of offset for airline credit provision directed by the House.

**Table A-2. FY2002 Supplemental: Administration Request by Appropriation Account**  
(millions of dollars)

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Agriculture</b>							
Food & Safety Inspection Service	Review foreign country equivalence agreements & foreign plants.	0.0	BIO	0.0	2.0	15.0	-
Food & Nutrition Service WIC Program*	Finance rising participation in Supplemental Nutrition Program for Women, Infants, & children	75.0	VIC	39.0	75.0	75.0	-
Animal & Plant Health Inspection Service: S&E	Aid State efforts to prevent & control transmissible spongiform encephalopathy in farmed and free-ranging animals.	0.0	NA	105.0	10.0	60.0	-
National Resources Conservation Service: Watershed Rehab (rescission)	Cancel funds to rehabilitate aging dams.	(9.0)	NA	NA	0.0	0.0	-
Export Enhancement Program	Limits expenditures of Export Enhancement Program by \$450 million	0.0	NA	NA	(450.0)	0.0	-
Office of the Secretary, Animal and Plant Health Inspection Serv., Agric. Marketing Serv. and/or Food Safety and Inspection Service	Improve lab security and set up a consolidated database on biological agents at field labs.	0.0	BIO	0.0	0.0	18.0	-
Agricultural Research Service - S&E	Assess agriculture's vulnerability to plant and animal pathogens.	0.0	BIO	0.0	0.0	16.0	-
Agric. Research Service - Building and Facilities*	Renovate National Animal Disease Laboratory in Ames, Iowa, an infectious disease center.	0.0	BIO	0.0	0.0	50.0	-
Cooperative State Research, Education, and Extension Service	For first responders in agriculture extension services.	0.0	PRE	0.0	0.0	16.0	-
Natural Resources	For recovery from flooding in Illinois, Kentucky,	0.0	NA	0.0	0.0	73.0	-

## CRS-52

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Conservation Service, Watershed and Flood Prevention Operations*	Michigan, Virginia and West Virginia in May 2002.						
Conservation Service, Watershed and Flood Prevention Operations	For recovery from storms, floods, fires and other natural disasters.	0.0	NA	NA	0.0	27.0	-
Rural Community Advancement Program	Upgrading security and conducting vulnerability assessments of rural water systems (\$5M).	0.0	SEC	0.0	0.0	25.0	-
Rural Utilities Service	Rescinds guaranteed loans for local tv stations	0.0	NA	0.0	0.0	(20.0)	-
Rural Utilities Service*	Local tv loan Guarantee program	0.0	NA	0.0	0.0	20.0	-
Food Stamp Program	Rescinds \$33M for Employment and Training Prg.	0.0	NA	0.0	0.0	(33.0)	-
General Provision	Assistance to agricultural producers in Texas along Rio Grande river	0.0	NA	0.0	0.0	10.0	-
<b>HHS</b>							
Food & Drug Admin-S&E	Medical devices & radiological health safety activities	0.0	BIO	0.0	18.0	0.0	-
<b>TOTAL, Agriculture</b>		<b>66.0</b>			<b>(345.0)</b>	<b>352.0</b>	<b>-</b>

## CRS-53

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Commerce, Justice, State: Commerce Department</b>							
Departmental management–S&E	Increased guard and protection services.	0.4	SEC	4.8	0.4	0.4	-
Export Administration, O&M	Initiate information sharing program for homeland security.	8.7	PRE	0.0	0.0	8.7	-
National Institute of Standards and Technology	Develop standards for chem/bio/nuclear/radiological explosive threat detecting equipment and biomedical recognition equipment.	4.0	PRE	0.0	4.0	0.0	-
National Institute of Standards and Technology	New homeland security activities and requirements, including \$40M for a cyber-security initiative	0.0	SEC	0.0	0.0	84.6	-
NOAA-Fisheries Finance Program	Set limits of \$5M for direct loans and \$19M for traditional loans, reducing subsidy.	(3.0)	NA	NA	(3.0)	(3.0)	-
Gen'l provision, Sec. 208	Aid to New England fishery	0.0	NA	0.0	0.0	11.0	-
Gen'l provision, Sec. 209	Aid to Northeast fishery	0.0	NA	0.0	0.0	5.0	-
US Trade Rep - S&E	Increased security costs	0.0	SEC	0.0	1.1	0.0	-
US Trade Rep*	European Communities Music Licensing Dispute	3.3	NA	NA	0.0	0.0	-
International Trade Administration, Ops and Amin.	New homeland security activities	0.0	SEC	1.0	0.0	1.7	-
Bureau of the Census	Rescinds \$20.9M for Suitland Federal Center	0.0	NA	0.0	0.0	(20.9)	-
NOAA - Operations, Research, and facilities	Funds for mapping and charting backlogs	0.0	PRE	0.0	0.0	23.4	-

## CRS-54

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
NOAA - Operations, Research, and facilities	Enhance National Water Observation Network	0.0	PRE	0.0	0.0	3.0	-
NOAA - Operations, Research, and facilities	Backup to critical satellite products and services	0.0	SEC	0.0	0.0	2.8	-
NOAA - Procurement, Acquisition & Construct.	Supercomputer backup	0.0	SEC	0.0	0.0	7.2	-
NOAA - Procurement, Acquisition & Construct.	Rescinds funds for National Polar-Orbiting Operational Environmental Satellite System	0.0	NA	NA	0.0	(8.1)	-
NOAA, rescission	Limits credits for Fisheries Financing, rescission	0.0	NA	NA	(3.0)	(3.0)	-
NOAA, general provision (Sec. 208)*	Provides assistance to New England fisheries	0.0	NA	NA	0.0	5.0	-
NOAA, general provision (Sec. 208)*	Provides assistance to Northeast fisheries	0.0	NA	NA	0.0	11.0	-
<b>Justice Department</b>							
General Admin/S&E	Fingerprint identification system for use by INS inspectors to conduct background checks of suspect aliens.	5.8	INV/LE	5.0	5.8	10.8	-
General Admin/S&E *	Funds Principal Deputy Attorney General for Combating Terrorism	0.0	NA	0.0	0.0	2.0	-
General Admin/S&E, Office of Domestic Preparedness	For grants for pre-positioned equipment for first responders (\$85M), regional training (\$48M), and exercises with state and local gov'ts (\$34M), and assessments (\$6M).	0.0	PRE	0.0	0.0	[173.8] by transfer	-
US Marshals Service-S&E	Increased security requirements of high-threat terrorist trials.	0.0	SEC	0.0	1.0	0.0	-

## CRS-55

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Legal Activities, S&E, US Attorneys	For courtroom technology.	0.0	SEC	0.0	0.0	5.2	-
Salaries and Expense, US Attorneys	Rescinds \$7M	0.0	NA	0.0	0.0	(7.0)	-
Salaries and Expense, US Marshals	Rescinds \$2.1M from Training Academy for US Marshals.	0.0	NA	0.0	0.0	(2.1)	-
Salaries and Expense, US Marshals	For anti-terrorism task forces from amounts provided in P.L. 107-77 and P.L 107-117	0.0	INV/LE	45.0	0.0	[45.0]	-
Salaries and Expense, US Marshals	For joint terrorism task forces from amounts provided in P.L. 107-77 and P.L.107-117	0.0	INV/LE	0.0	0.0	[113.2]	-
Salaries and Expense, US Marshals	For Foreign Terrorist Tracing Task forces from amounts available under P.L. 107-77 and P.L 107-117	0.0	INV/LE	0.0	0.0	[10.0]	-
FBI/S&E	Equipment, R&D, and cyber security measures (\$56M).	10.0	INV/LE	821.6	112.0	75.5	-
Drug Enforcement Agency - Violent Crime Reduction	Rescinds \$13M	0.0	NA	NA	0.0	(13.0)	-
Office of Justice Programs, Justice Assistance	Grants to First Responders	[175.0] requested for FEMA	PRE	400.0	175.0	173.8 (transfer to Dept'y Att'y Gen'l, Dom. Prep.)	-
Office of Justice Programs*	Establishes Election Reform Grant Program.	0.0	NA	NA	[450.0] under OMB	450.0	-
Office of Justice Programs, Justice Assistance	Rescinds \$2M for Office of Assistant Attorney General and \$2M for Office of Congressional and Public Affairs	0.0	NA	NA	0.0	(4.0)	-

## CRS-56

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Office of Justice Programs, Community Oriented Policing Services	Provides grants to states and localities to improve communication among law enforcement agencies	0.0	PRE	400.0	0.0	85.0	-
INS/S&E	Air and sea port security initiatives and shortfall in immigration user fee revenue.	35.0	SEC	89.7	75.0	35.0	-
INS - Construction	For emergency construction expenses at border patrol stations.	0.0	REC	99.6	0.0	84.0	-
Federal Prison System	Rescinds \$30M for buildings and facilities	0.0	NA	NA	0.0	(30.0)	-
<b>State Department</b>							
Diplomatic & Consular programs	Support operations in Kabul and Tajikistan; supports security and emergency medical response; & restore mail operations contaminated by anthrax.	43.6	SEC	106.7	33.6	38.3	-
Diplomatic and Consular programs	Expand public diplomacy.	7.5	PUB DIP	62.9	17.5	0.0	-
Capital Investment Fund	Develop a classified, anti-terrorism global database.	2.5	PRE	0.0	0.0	0.0	-
Ed & Cultural Exchanges	For Educational and Cultural Exchange programs.	10.0	PUB DIP	62.9	20.0	9.0	-
Embassy Security, Construction, & Maintenance	New construction in Tajikistan (\$80M) and rehabilitation of Kabul compound (\$120M).	200.5	SEC	0.0	200.5	210.5	-
Emergencies in the Diplomatic & Consular Service	Payments to injured individuals & families in connection with 4/20/01 incident with civilian plane in Peru.	8.0	NA	NA	0.0	0.0	-
Contributions to International Organizations	U.S. share of U.N. Special Representative's operation in Afghanistan.	7.0	HUM AID	0.0	7.0	7.0	-
Contributions for Int'l Peacekeeping Activities	U.S. share of U.N. peacekeeping operations.	43.0	SEC ASSIST	0.0	43.0	0.0	-
Contributions for Int'l Peacekeeping Activities	Rescinds \$35M from prior year appropriations	0.0	NA	NA	0.0	(35.0)	-
Int'l Broadcasting Ops	Surrogate broadcasting by RFE/RL to Afghanistan	7.4	PUB DIP	21.5	7.4	7.4	-

## CRS-57

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Int'l Broadcasting Capital Improvements	Installation of a medium wave transmission facility in Tunisia to support Arabic broadcasting initiative.	0.0	PUB DIP	0.0	7.7	0.0	-
<b>Judicial Branch</b>							
Supreme Court/ Care of Buildings and Grounds	Perimeter security enhancements at Supreme Court.	10.0	SEC	31.3	10.0	10.0	-
US Courts of Appeals for the Federal Circuit - S&E	Security upgrades.	0.9	SEC	0.0	0.0	0.0	-
Court of Appeals, District Courts - S&E	Protective window film & other security measures, including closed circuit transmission of Moussaoui trial.	3.1	SEC	82.2	6.2	9.7	-
<b>Related Agencies</b>							
Securities & Exchange Commission – S&E*	Additional staff for Commission's growing oversight and enforcement workload	20.0	NA	NA	20.0	20.0	-
SEC – S&E	SEC New York Regional Office recovery costs.	0.0	REC	20.7	9.3	9.3	-
<b>TOTAL, Commerce, Justice, and State Depts.</b>		<b>427.7</b>			<b>750.5</b>	<b>1,280.2</b>	-

## CRS-58

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Defense and Military Construction</b>							
Military Personnel, Air Force	Funds full end strength of 358,800 including those AF required to stay because of global war on terrorism.	206.0	DEFENSE	NA	206.0	206.0	-
Defense Emergency Response Fund (DERF), a transfer account/b/	A transfer account for operational and special pay costs associated with conflict in Afghanistan and elsewhere, including replacement of equipment and intelligence activities, cost of activating reservists for enhanced security at bases and other activities, and cost of combat air patrol in U.S./b/	11,300.0	DEFENSE	15,883.3	11,300.0	11300.0	-
Defense Emergency Response Fund (DERF)	Adds funds for operational costs, training, spare parts, and equipment maintenance.	0.0	DEFENSE	0.0	604.0	0.0	
Defense Emergency Response Fund (DERF), a transfer account/b/	Adds funds for reserve mobilization costs.	0.0	DEFENSE	0.0	790.0	0.0	-
Operation and Maintenance, Army	Funds communication program (\$5.2M), and classified programs (\$101.8M).	107.0	DEFENSE	NA	107.0	107.0	-
Operation and Maintenance, Army	Adds funds for overseas contingency operations.	0.0	DEFENSE	NA	119.0	0.0	-
Operation and Maintenance, Navy	Classified programs.	36.5	DEFENSE	NA	53.8	36.5	-
Operation and Maintenance, Air Force	Replace intelligence and surveillance equipment, including support of Predator (\$9 million), and classified programs (\$32M).	41.0	DEFENSE	NA	41.0	41.0	-
Operation and Maintenance, Air Force	Adds funds for classified programs.	0.0	DEFENSE	NA	19.5	0.0	-
Operation and Maintenance, Defense wide	Funds payments to Pakistan, Jordan and other "key cooperating nations" for logistical and military support.	420.0	DEFENSE	[288.0]	420.0	420.0 (to be transferred to State, ESF)	-

## CRS-59

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Operation and Maintenance, Defense wide	Replaces various intelligence and surveillance and reconnaissance equipment (\$35.5M), and classified programs (\$283.5M).	319.0	DEFENSE	NA	319.0	319.0	-
Operation and Maintenance, Defense wide	Adds funds for classified programs.	0.0	DEFENSE	NA	13.0	0.0	-
Other Procurement, Army	Replaces various intelligence and surveillance and reconnaissance equipment (\$68.8M), and classified programs (\$10.4M).	79.2	DEFENSE	NA	79.2	79.2	-
Aircraft Procurement, Navy	Upgrades White House Communications (\$14.8M) and classified programs (\$8M).	22.8	DEFENSE	NA	22.8	22.8	-
Procurement of Ammunition, Navy and Marine Corps	Nearly doubles production rate of Joint Direct Attack Munitions (JDAMs) from 1,500. month to 2,800 a month and buys additional munitions.	262.0	DEFENSE	[443.5]	262.0	262.0	-
Other Procurement, Navy	Funds various intelligence, surveillance and reconnaissance classified programs.	2.5	DEFENSE	NA	2.5	2.5	-
Procurement, Marine Corps	Funds classified command, control, and communication programs.	3.5	DEFENSE	NA	3.5	3.5	-
Aircraft Procurement, Air Force	Accelerates production of Predator unmanned aerial vehicles to two per month (\$37M), retrofits ground station (\$8M), and buys one replacement Global Hawk UAV (\$35M), and two sensor packages (\$13M).	93.0	DEFENSE	NA	93.0	93.0	-
Aircraft Procurement, Air Force	Adds funds for F-15 VHF radios.	0.0	DEFENSE	NA	36.5	0.0	-
Procurement of Ammunition, Air Force	Nearly doubles production rate of Joint Direct Attack Munitions (JDAMs) from 1,500 month to 2,800 a month and buys additional munitions.	115.0	DEFENSE	[443.5]	115.0	115.0	-
Other Procurement, Air Force	Funds classified command, control, and communication programs, including buying UAVs.	752.3	DEFENSE	NA	735.3	752.3	-

## CRS-60

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Other Procurement, Air Force	Rescinds \$29.0 million in FY2001 funds	0.0	NA	NA	(29.0)	0.0	
Procurement, Defense wide	Replaces and upgrades intelligence, surveillance, and reconnaissance equipment (\$37.8M), funds classified programs (\$46.9M), and White House communications upgrades (\$14.8M).	99.5	DEFENSE	NA	99.5	99.5	-
Procurement, Defense wide	Adds funds for classified programs.	0.0	DEFENSE	NA	4.9	0.0	-
Procurement, Defense wide	Rescinds \$30 million in FY2002 funds	0.0	NA	NA	(30.0)	0.0	-
RDT&E, Army	Funds fielding of new medical treatment for wounds.	8.2	DEFENSE	0.0	8.2	8.2	-
RDT&E, Navy	Funds upgrades to White House communications systems and other command, control, and communications systems.	19.0	DEFENSE		9.0	19.0	-
RDT&E, Air Force	Accelerates upgrades to unmanned aerial vehicles and classified programs.	60.8	DEFENSE	NA	99.8	60.8	-
RDT&E, Defense wide	Classified programs.	74.7	DEFENSE	NA	52.0	74.8	-
RDT&E, Defense wide	Chem-Bio detection.	0.0	DEFENSE	28.0	20.0	0.0	
MH-47 Helicopter-Sec 308	Purchase 3 MH-47 helicopters.	0.0	DEFENSE	0.0	93.0	0.0	-
Chemical Demilitarization-Sec 309	Accelerate chemical weapons demilitarization.	0.0	DEFENSE	NA	100.0	0.0	-
Military Construction-Air Force	For upgrade at Diego Garcia to Support Operation Enduring Freedom.	0.0	DEFENSE	0.0	8.5	0.0	-
Military Construction-Defense-Wide	Construction of a Joint Ops Complex at Ft. Bragg (\$19.6M) & planning & design (\$1.9M).	0.0	DEFENSE	0.0	21.5	0.0	-
<b>TOTAL, Defense &amp; Military Construction</b>		<b>14,022.0</b>			<b>15,799.5</b>	<b>14,022.1</b>	<b>-</b>

## CRS-61

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>District of Columbia</b>							
Public education system	Rescind surplus that resulted from lower than projected student enrollment.	0.0	NA	NA	(37.0)	(37.0)	-
Home Support Services - Child & Family Services*	Increased adoption case rates, higher case loads for adoption, and emergency group home utilization.	0.0	NA	NA	11.0	11.0	-
Home Support Services - Dept of Mental Health*	Address Medicaid revenue shortfall.	0.0	NA	NA	26.0	26.0	-
Repayment of loans & interest	Rescind repayment of loans and interest due to lower interest rates and borrowing.	0.0	NA	NA	(8.0)	(8.0)	-
Certificate of participation*	Finances lease for One Judiciary Square	0.0	NA	NA	8.0	8.0	-
Federal Payment to Children's National Medical Center	Implementing District emergency ops plan, including quarantine facilities and decontamination facility for children and families.	0.0	PRE	0.0	0.0	13.8	-
Federal Payment to District of Columbia	For District Emergency ops plan, for public safety for special events	0.0	PRE	0.0	0.0	14.7	-
Federal Payment to District of Columbia	For District Emergency Ops plan, for construction of Hospital Containment facilities to support regional Bio terrorism Hospital Preparedness Program.	0.0	PRE	8.0	0.0	10.0	-
Federal Payment to METRO	To create a regional transportation back-up operations control center	0.0	PRE	0.0	0.0	25.0	-
Washington Council of Governments	For support of Regional Incident Communication and Coordination System	0.0	PRE	0.0	0.0	1.8	-
Federal Payment to Water and Sewer Authority of District of Columbia	To secure fire hydrants and manholes, monitor water quality remotely, improve ventilation system	0.0	SEC	0.0	0.0	3.0	-
DC Operating Funds, Public Safety and Justice	Rescinds \$100K from Dept. of Corrections for Corrections Information Council	0.0	NA	0.0	0.0	(0.1)	-
Corrections Information Council	For Corrections Information Council	0.0	NA	0.0	0.0	0.1	-
Governmental Direction	Revises language permitting up to \$353K to be	0.0	NA	0.0	0.0	[.4]	-

CRS-62

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
and Support*	available to Office of Corporation Council for Attorney retention allowance if performance measures are adopted.						
<b>Total, District of Colombia</b>		<b>0.0</b>			<b>0.0</b>	<b>68.3</b>	<b>-</b>

## CRS-63

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Energy and Water Development</b>							
Corps of Engineers, O&M	Security improvements at Corps facilities	0.0	SEC	139.0	128.4	0.0	-
Corps of Engineers, O&M	Security improvements at Corps facilities near Mississippi River and tributaries, using funds from ETR	0.0	SEC	139.0	0.0	[6.5] transfers funds	-
Corps of Engineers, O&M*	Assist recovery from flooding in May 2002 in West Virginia, Kentucky and Virginia (\$10M), Eastern Missouri and Upper Peninsula, Michigan (\$22M)	0.0	NA	NA	0.0	32.0	-
Interior, Bureau of Reclamation*	Drilling of emergency wells in Santa Fe, New Mexico	0.0	NA	0.0	0.0	3.0	-
DOE Energy Programs - Science	Enhance safeguards and security at DOE Science labs.	0.0	SEC	0.0	29.0	0.0	-
National Nuclear Security Administration/Weapons Activities	Improve emergency response of radiological search teams in urban areas (\$8.8M), support law enforcement officials, consequence management teams and other local emergency responders.	19.4	PRE	0.0	19.4	19.4	-
	Secure transportation of nuclear weapons	0.0	SEC	25.0	18.0	18.0	-
	Increased safeguards and security at DOE nuclear weapons facilities, including cyber-security	0.0	SEC	111.0	88.0	104.3	-
	For counter-terrorism, including National Center to Combat Terrorism	0.0	SEC	0.0	0.0	40.0	-
Defense Nuclear Nonproliferation	Enhance international safeguards activities; protect and safeguard nuclear materials in Former Soviet Union	0.0	SEC	226.0	5.0	65.0	-
	Develop sensors to prevent nuclear and other deadly materials from entering the U.S.	0.0	SEC	226.0	0.0	35.0	-
Office of the Administrator	For additional emergency expenses	0.0	SEC	0.0	0.0	1.8	-

## CRS-64

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Environmental and other defense activities/Defense Environmental Restoration & Waste Management	Enhance safeguards at various DOE environmental management cleanup sites.	0.0	SEC	0.0	67.0	0.0	-
Environmental and other defense activities/Defense Facilities Closure Projects	Enhance safeguards at several DOE sites.	0.0	SEC	8.2	16.6	40.0	-
Environmental and other defense activities/Other defense activities	Vulnerability assessments of critical infrastructure and training, conferences, and logistical support for energy assurance activities.	7.0	PRE	0.0	7.0	7.0	-
DOE, Energy Supply, Non-Defense Environmental Management/Science, Nuclear Waste Disposal/ and Departmental Administration	Rescinds \$30 million from these accounts as provided in P.L. 107-66, with specifics to be submitted within 30 days to the Appropriations Committees	0.0	NA	NA	0.0	(30.0)	-
<b>TOTAL, Energy and Water</b>		<b>26.4</b>			<b>378.4</b>	<b>335.4</b>	<b>-</b>

CRS-65

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Foreign Operations</b>							
Child Survival/Health	Combating AIDS, tuberculosis, and malaria.	0.0	NA	NA	200.0	200.0	-
USAID OE	USAID's presence in Afghanistan.	7.0	HUM AID	0.0	7.0	5.0	-
USAID Disaster Asst	Reconstruction & development projects in Afghanistan and Federally Administered Tribal Areas in Pakistan.	40.0	HUM AID	50.0	190.0	[150.0]	-
USAID Disaster Asst	Humanitarian and reconstruction activities in Afghanistan (\$197.5M), West Bank and Gaza (\$50M), and administrative expenses of AID (\$2.5M).	[40.0]	HUM AID	50.0	[190.0]	150.0	-
Economic Support Fund	Economic assistance for 13 "front-line" states in the war on terrorism, including Afghanistan, Jordan, Turkey, and the Philippines	525.0	SEC ASST	600.0	460.0	[500.0]	-
	Economic assistance to "front-line" states, including \$50 million for Middle East Economic Initiative, and \$7M for journalists and media in Middle East and Pakistan, and \$15M for Muslim student exchange program.	0.0	SEC ASST	600.0	[460.0]	500.0	-
	Provides \$200 million in aid to Israel and \$50 million to Palestine	0.0	SEC ASST	NA	250.0	200.0 (Israel only)	-
International Narcotics Control & Law Enforce.	Counter narcotics & law enforcement activities in Afghanistan (\$60M) and Pakistan (\$20M).	80.0	SEC ASST	73.0	80.0	NS	-
	Border security with Mexico (\$25M) & Western Hemisphere Regional (\$5M), and Police Post support for Colombia (\$4M).	34.0	SEC ASST	0.0	34.0	NS	-
	Counter narcotics & law enforcement, including \$2.5M for Colombian park rangers and \$4M for Indonesian police.	[114.0]	SEC ASST	73.0	[114.0]	104.0	-

## CRS-66

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Independent States, Former Soviet Union	Aid Uzbekistan, Kyrgyz Republic, Tajikistan, Kazakhstan & Turkmenistan, including \$22 million for drug law enforcement and \$12M for border security.	110.0	SEC ASST	46.5	110.0	110.0	-
Migration & Refugee Asst	Emergency activities in & around Afghanistan.	0.0	HUM AID	100.0	10.0	50.0	-
Foreign Military Financing	Military aid for 18 "front-line" states in the war on terrorism, including Afghanistan, Turkey, Afghanistan, Uzbekistan, Pakistan, the Philippines, Jordan, Bahrain, Oman, and Yemen.	372.5	SEC ASST	45.0	372.5	347.5	-
Non-proliferation, anti-terrorism, De-mining, and related programs	Training/equipment for counter-terrorist aid to Pakistan (\$10M), Indonesia (\$8M), Colombia (\$25M), and terrorist interdiction training to various countries.	83.0	SEC ASSIST	97.9	83.0	93.0	-
Peacekeeping Operations	Salaries of Afghan military forces supporting U.S. operations	20.0	SEC ASST	0.0	20.0	20.0	-
	Training of civilian and military personnel to support peacekeeping in Indonesia.	8.0	SEC ASST	0.0	0.0	0.0	-
Special Payments to Intl Financial Institutions	Rescission of unobligated balances of funds appropriated in the 92d and 93d Congress' for maintenance of value payments to international financial institutions.	(157.0)	NA	NA	(159.0)	(159.0)	-
Rescission-Sec 602	Rescission of FY2000 and prior year appropriations of development assistance and ESF.	0.0	NA	NA	(60.0)	0.0	-
Rescission-Sec 604	Rescission of prior foreign operations and export financing aid	0.0	NA	NA	0.0	(75.0)	-
<b>TOTAL, Foreign Operations</b>		<b>1,122.5</b>			<b>1,597.5</b>	<b>1545.5</b>	-

## CRS-67

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Interior</b>							
BLM-Management of Lands & Resources	Repay unreimbursed law enforcement costs for security at Dept of Interior building in Washington	0.0	SEC	0.0	0.7	0.0	-
US Fish & Wildlife-Resource Management	Repay unreimbursed airport security, security costs at Dept of Interior building in Washington, & other items	0.0	SEC	0.0	1.4	0.4	-
US Fish & Wildlife - Construction	Facility and safety improvements related to security	0.0	SEC	0.0	0.0	3.1	-
Natl Park Service-Ops	Repay unreimbursed law enforcement costs for security at Dept of Interior building in Washington	0.0	SEC	6.1	1.2	0.0	-
Natl Park Service-Construction	Security screening at the Washington Monument	0.0	SEC	5.1	19.3	17.7	-
US Geological Survey-Surveys, Investigations	Infrastructure mapping in 120 U.S. urban areas.	0.0	SEC	0.0	25.7	26.8	-
Bureau of Indian Affairs-Ops of Indian Programs	Repay unreimbursed law enforcement costs for security at Dept of Interior building in Washington.	0.0	SEC	0.0	0.1	0.0	-
Bureau of Indian Affairs-Ops of Indian Programs	Cancel funds for electric power operations at San Carlos Irrigation Project	(10.0)	NA	NA	(5.0)	(10.0)	-
Interior-Dept. Offices-S&E	Interior Dept Office of Homeland Security & to repay unreimbursed law enforcement costs for security at Dept of Interior building in Washington.	0.0	SEC	2.2	0.9	7.0	-
Forest Service, Capital Improvement and Maintenance	Facility enhancements to protect property from terrorism, vandalism, and theft	0.0	SEC	0.0	0.0	3.5	-
Smithsonian-S&E	Security improvements & ongoing operations.	0.0	SEC	21.7	11.0	0.0	-
Smithsonian-Construction	Planning, design and construction of an alcohol collections storage facility	0.0	SEC	0.0	0.0	2.0	-
	Pod 5 planning and design for storage of sensitive materials.	0.0	SEC	0.0	2.0	0.0	-
<b>TOTAL, Interior</b>		<b>(10.0)</b>			<b>57.3</b>	<b>50.5</b>	<b>-</b>

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Labor, Health and Human Services, and Education</b>							
<b>Department of Labor</b>							
Training & Employment Services	National Emergency Grants to states to aid dislocated workers.	550.0	VIC RELIEF	32.5	190.0	200.0	-
Training and Employment Services (Contingent Emergency)	Demonstration training projects.	50.0	VIC RELIEF	0.0	0.0	0.0	-
Training and Employment Services	State formula grants for dislocated workers	0.0	VIC RELIEF	0.0	0.0	80.0	
Training and Employment Services (Contingent Emergency)	Transfer to Commerce Department for long-term economic assistance programs.	40.0	VIC RELIEF	0.0	0.0	10.0	-
Training and Employment Services (Contingent Emergency)	Grants under Workforce Investment Act to restore FY2001 rescission.	110.0	VIC RELIEF	0.0	110.0	110.0	-
<b>Department of Health and Human Services</b>							
Heath Resources & Servs	Cancel funds for the Community Access Program.	(20.0)	NA	NA	0.0	0.0	-
Natl Institute for Health-Buildings & Facilities	Rescind funds for safety & compliance, repairs & improvements, and Building 10 renovation.	(30.0)	NA	NA	(30.0)	(30.0)	-
Natl Institute for Health-Buildings & Facilities	Security enhancements at NIH facility	0.0	SEC	0.0	0.0	72.0	-
Natl Institute for Health-Office of the Secy	For screening and long-term health monitoring of emergency services personnel who responded to WTC attack, including \$25M for firefighters	0.0	VIC RELIEF	12.0	0.0	90.0	-
CDC, Disease Control, Research, and Training	Construct new facility and renovate existing CDC bioterrorism facilities in Atlanta	0.0	BIO	0.0	0.0	278.0	-
	Improve security, including information security	0.0	SEC	0.0	0.0	37.0	-

## CRS-69

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Department of Education</b>							
Student Financial Asst*/c/	Pell Grants Program/c/	1,276.0/c/	NA	NA	1,000.0	1,000.00	-
Offsets for Pell Grants /c/	Rescinds all Cong. adds in FY02 in Labor, HHS bill	[1,276.0]	NA	NA	0.0	0.00	-
General provision	Requires pro rata reductions in previous admin. and mgt expenses of DOL, HHS, and Dept. of Ed	0.0	NA	NA	0.0	(45.0)	
<b>TOTAL, Labor, HHS, and Education/c/</b>		<b>1,976.0</b>			<b>1,270.0</b>	<b>1,802.0</b>	<b>-</b>
<b>Legislative Branch</b>							
House-Standing Committees, Special & Select*	Additional funds for the Permanent Select Committee on Intelligence	0.0	INV/LE	0.0	1.6	0.0	-
Library of Congress	To fund shortfall in copyright Office from lower receipts in FY2002.	7.5	VIC RELIEF	0.0	7.5	7.5	-
Congressional Printing and Binding	Replenish shortfall from prior year	5.9	NA	NA	0.0	0.0	-
GPO Revolving Fund	Asbestos abatement in buildings	2.0	NA	NA	0.0	0.0	-
Capitol Police Board-General Expenses	Computer equipment, training, & communications.	0.0	SEC	80.8	16.1	3.6	-
<b>TOTAL, Legislative Branch</b>		<b>15.4</b>			<b>25.2</b>	<b>11.1</b>	<b>-</b>

CRS-70

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Transportation and Related Agencies</b>							
<b>Department of Transportation</b>							
Coast Guard operating expenses	Funds six months of additional expenses for personnel (\$82M), operating costs (\$60M), maritime security initiatives (\$46M), reserves (\$8M), port vulnerability assessments (\$12M), and PACAREA ship refueling capability (\$1M).	189.0	SEC	227.2	210.0	318.4	-
Coast Guard, Acquisition, Construction, and Improvements	Acquire and replace patrol boats (\$36M), monitoring systems (\$23M), improve communications and infrastructure (\$14M)).	66.0	SEC	0.0	78.0	66.0	-
	Additional patrol boats (6 to 8), communication equipment (\$27.7M), and other security enhancements.	0.0	SEC	0.0	NS	281.7	-
Transportation Security Administration	Funds initial and then Federal screener personnel, airport managers, law enforcement, National Guard provided by DOD, and other support personnel, with up to \$1 billion for explosive detection equipment.	2,455.0	SEC	325.0	2,305.0	NS	-
Transportation Security Administration (Contingent Emergency)	For additional equipment, screeners, law enforcement personnel, staff, and consultants for aviation security to be further defined in a later request.	1,945.0	SEC AV	325.0	1,545.0	NS	-
Transportation Security Administration	For Federal screener personnel, airport managers, and other law enforcement personnel and explosive detection equipment.	[4,400.0]	SEC AV	325.0	[3,850.0]	4,400.0	-
	Grants for security enhancements at high volume ports.	0.0	SEC	93.0	0.0	200.0	-
	More law enforcement personnel to enhance perimeter and terminal security.	0.0	SEC	0.0	0.0	35.0	-
	Emergency communications and security improvements for bus companies	0.0	SEC	0.0	0.0	20.0	-
	Testing and deploying new safety measures for container cargo.	0.0	SEC	0.0	0.0	27.9	-
	Training port personnel in incident management for	0.0	PRE	0.0	0.0	20.0	-

## CRS-71

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
	Develop new technology for screening air, rail, or shipping cargo	0.0	SEC	0.0	0.0	15.0	-
	Rescinds funding for criminal investigation	0.0	NA	NA	0.0	(15.4)	-
Federal Aviation Administration Operations	Provides more guards and barriers at air traffic control facilities to be paid for with fees.	[100.0]	SEC AV	599.0	[25.0]	100.0	-
FAA-Grants in Aid for Airports	Compensate airports for portions of the costs of new security requirements.	0.0	SEC AV	175.0	200.0	100.0	-
FAA-Facilities and Equipment (Airway Trust Fund)	Fix FAA's long-range radars that track aircraft with broken transponders, using Airway Trust Fund revenues.	0.0	PRE	0.0	0.0	15.0	-
Federal Highway Admin., Federal-aid Highways, Emergency Relief	Funds repair and restoration of highways and roads in NYC damaged by attacks that are eligible for federal funding.	167.0	REC	75.0	167.0	167.0	-
Federal-Aid Highways	Rescinds highway contract authority	0.0	NA	NA	0.0	(200.0)	-
Federal Motor Carrier Safety Administration-Border Enforcement	Funds personnel, and efforts to detect license frauds.	19.3	INV/LE	0.0	19.3	19.3	-
Hazardous Materials Security	Implement permit program for motor carriers transporting the most dangerous materials.	0.0	SEC	0.0	5.0	0.0	-
Federal Railroad Administration, AMTRAK*	Grants for damaged equipment, security, and overhaul of rail passenger cars.	0.0	NA	NA	0.0	55.0	-
Federal Transit Administration, Capital Investment Grants	To fully fund rebuilding of public mass transportation in Manhattan that are not eligible for FEMA funds.	1,800.0	REC	0.0	1,800.0	1,800.0	-
Research & Special Programs	Upgrades new center to monitor crises.	3.5	PRE	2.5	0.0	3.5	-

## CRS-72

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
Airline Loan Program (Sec 1103)	Prohibits further federal loans to air carriers authorized in P.L. 107-42 for the rest of FY2002.	0.0	NA	NA	(1,254.0)	0.0	-
Air Carrier Compensation (Sec 1104)	Rescinds unobligated balance for grants to airlines authorized in P.L. 107-42.	0.0	NA	NA	0.0	0.0	-
<b>TOTAL, Transportation</b>		<b>6,644.8</b>			<b>5,075.3</b>	<b>7,428.4</b>	<b>-</b>
<b>Treasury, Postal Service, Executive Office of the President, and General Govt.</b>							
<b>Treasury Department</b>							
Federal Law Enforcement Training Center	Additional instructors , facilities, & equipment to train new law enforcement staff.	0.0	INV/LE	23.0	15.9	0.0	-
Financial Management Service (Sec 1201)	Rescission of funds & transfer to more important IRS needs.	0.0	NA	NA	(14.0)	(14.0)	-
IRS (Sec 1201)	Business Systems Modernization	0.0	NA	NA	14.0	0.0	-
IRS, Information Systems	Rescission of prior year funds	0.0	NA	NA	0.0	(10.0)	-
US Customs Service	Provide staff and technology to screen cargo at high volume ports.	0.0	SEC	0.0	0.0	57.0	-
	Monitor imports of goods made with forced labor	0.0	NA	0.0	0.0	2.0	-
US Secret Service-S&E	New protective details, new staff, recurring costs, & costs of Electronic Crime Task Force.	0.0	SEC	104.8	46.8	17.2	-
<b>U.S. Postal Service</b>							
US Postal Service, US Postal Service Fund	To provide additional protection to postal employees and customers from biohazardous material.	87.0	BIO	675.0	87.0	87.0	-

## CRS-73

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Executive Office of the President</b>							
Exec. Office of President, Administration, S&E	Funds outfit of off-site facility for Office of Homeland Security.	5.0	PRE	0.0	0.0	5.0/e/	-
Exec. Office of President, OMB	Rescission of OMB's costs for the Office of Homeland Security	0.0	NA	NA	(0.8)	0.0	-
Exec. Office of President, Election Admin Reform*	Election administration reform/d/	0.0	NA	NA	450.0	[450.0] Justice Dept.	-
<b>Federal Election Commission</b>							
Federal Election Commission*	Implementation of the Bipartisan Campaign Reform Act.	0.0	NA	NA	0.8	0.0	-
<b>GSA</b>							
GSA, Real property Activities/Federal Buildings Funds	Increases security services at federal buildings.	51.8	SEC	135.1	51.8	51.8	-
GSA, General Activities/Policy and Operations	Funds new office to assess potential disruptions in information technology.	2.5	PRE	0.0	0.0	2.5	-
<b>TOTAL, Treasury, Postal Service, EXOP and Gen'l Gov't</b>		<b>146.3</b>			<b>651.5</b>	<b>198.5</b>	<b>-</b>

## CRS-74

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>Veterans Affairs, HUD, and Independent Agencies</b>							
<b>Veteran's Administration</b>							
VA Admin, Medical Care*	Medical care services to priority 1-6 veterans.	142.0	NA	NA	417.0	417.0 as emerg. Spending	-
VA, Compensation and Pensions*, mandatory/f/	Additional benefit payments to eligible, disabled veterans requested by Administration, May 21, 2002	[1,100.0] mandatory	NA	NA	0.0	[1,100.0] mandatory	-
VA Admin, Medical & Prosthetic Research	Rescission of funds for Medical and Prosthetic Research.	(5.0)	NA	NA	0.0	0.0	-
<b>Federal Emergency Management Agency</b>							
FEMA, Disaster Relief	Covers remaining response and recovery efforts in NYC that are eligible for federal reimbursement.	2,750.0	REC	6,356.9	2,750.0	2,660.0	-
FEMA, Disaster Asst for Unmet Needs	To address unmet needs arising from Presidentially-declared disasters in FY2002.	0.0	NA	NA	23.3	0.0	-
FEMA, Emergency Management Planning and Asst	Provides equipment and training grants to states and localities for first response teams.	326.7	PRE	220.0	151.7	[326.7]	-
	Funds operational disaster planning for state and local governments.	NS	PRE	220.0	NS	175.0	-
	Fire Grants	NS	PRE	220.0	NS	300.0	-
	For urban search and rescue teams	NS	PRE	220.0	NS	92.0	-
	Grants for interoperable communications equipment	NS	PRE	220.0	NS	115.0	-
	Grants to state and local governments for emergency ops centers.	NS	PRE	220.0	NS	63.0	-
Cerro Grande Fire Claims	To cover remaining liability claims from fire	NA	NA	0.0	0.0	80.0	-

## CRS-75

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>HUD</b>							
HUD, Public & Indian Housing-Housing Certificate Fund	Rescission of unobligated balances available in the Housing Certificate Fund and predecessor programs.	0.0	NA	NA	(300.0)	(300.0)	-
HUD, Community Planning & Development, Community Development Block Grants	Provides grants to Lower Manhattan Development Corporation to rebuild and restore utility infrastructure and equipment destroyed in lower Manhattan.	750.0	REC	2,000.0	750.0	750.0	-
HUD, Community Planning & Develop., Rural Housing & Econ Dev	Rescission of Rural Housing and Economic Development.	(20.0)	NA	NA	0.0	0.0	-
HUD, Home Investment Partnerships Program	Rescinds funds for down payment assistance initiative.	0.0	NA	NA	0.0	(50.0)	-
HUD, Housing Programs, Rental Housing Assistance	Rescinds contract authority in excess of required payments.	0.0	NA	NA	(300.0)	0.0	-
<b>HHS</b>							
HHS, NIH, Natl Institute of Environmental Health Sciences	Undertake and continue research and worker training programs related to 9/11.	0.0	PRE	0.0	8.0	0.0	-
HHS, Agency for Toxic Substances & Disease Registry, S&E	Reimburse for costs associated with 9/11 and to enhance State capacity to respond to chemical terrorism events.	0.0	PRE	0.0	11.3	0.0	-
<b>EPA</b>							
EPA, Hazardous Substance Superfund	For additional expenses for anthrax investigation and cleanup of U.S. Capitol and congressional offices.	12.5	REC	41.3	0.0 [Funded under Leg Br.]	12.5	-
EPA, Science and Technology	Assist small and medium communities to assess vulnerability of drinking water.	0.0	SEC	34.0	0.0	100.0	-

CRS-76

Subcommittee/Agency or Department & Appropriation account	Purpose	Admin FY2002 Supp Request	Spending Category /a/	ETR Funding	House action	Senate action	Enacted
<b>NSF</b>							
National Science Foundation/Education and Human Resources	Funds additional Cybercorps/Scholarships for Service programs for undergraduates and graduates studying computer security.	19.3	INV/LE	0.0	0.0	19.3	-
<b>TOTAL, VA/HUD</b>		<b>5,075.5</b>			<b>3,511.3</b>	<b>5,533.8</b>	

**Table A-3. Non-Emergency Spending**  
(\$s – millions)

Appropriation/Account	Non-emergency spending	Request	House action	Senate action	Enacted
<b>Non-emergency spending:</b>					
Agriculture Dept., Food & Nutrition Service WIC Program	Finance rising participation in Supplemental Nutrition Program for Women, Infants, & children	75.0	75.0	75.0	-
Agriculture Dept., Agric. Research Service - Building and Facilities*	Renovate National Animal Disease Laboratory in Ames, Iowa, an infectious disease center.	0.0	0.0	50.0	-
Agriculture Dept., Natural Resources Conservation Service, Watershed and Flood Prevention Operations*	For recovery from flooding in Illinois, Kentucky, Michigan, Virginia and West Virginia in May 2002.	0.0	0.0	73.0	-
Agriculture Dept., Rural Utilities Service*	Local tv loan Guarantee program	0.0	0.0	20.0	-
Commerce, NOAA, Sec. 208*	Assistance to New England fisheries	0.0	0.0	5.0	-
Commerce, NOAA, Sec. 209*	Assistance to Northeast fisheries	0.0	0.0	11.0	-
Justice, Office of Justice Programs*	Election Reform Grants Program	0.0	O [450.0 under OMB]	450.0	-
Justice, Gen'l Admin/S&E*	Principal Deputy Attorney Gen'l for combating terrorism	0.0	0.0	2.0	-
Securities & Exchange Commission – S&E*	Additional staff for Commission's growing oversight and enforcement workload	20.0	20.0	20.0	-
US Trade Rep*	European Communities Music Licensing Dispute	3.3	0.0	0.0	-
D.C., Home Support Services - Child & Family Services*	Increased adoption case rates, higher case loads for adoption, and emergency group home utilization.	0.0	11.0	11.0	-
D.C., Home Support Services - Dept of Mental Health	Address Medicaid revenue shortfall.	0.0	26.0	26.0	-
D.C., Certificate of participation	Finances lease for One Judiciary Square	0.0	8.0	8.0	-
D.C., Corrections Information Council	Corrections Information Council	0.0	0.0	0.1	-

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<b>Appropriation/Account</b>	<b>Non-emergency spending</b>	<b>Request</b>	<b>House action</b>	<b>Senate action</b>	<b>Enacted</b>
Interior, Bureau of Reclamation*	Drilling of emergency wells in New Mexico	0.0	0.0	3.0	-
Legislative Branch, House-Standing Committees, Special & Select*	Additional funds for the Permanent Select Committee on Intelligence	0.0	1.6	0.0	-
Leg. Branch, Congressional Printing and Binding	Replenish shortfall from previous year.	0.0	0.0	0.0	-
Leg. Branch, GPO Revolving Fund	Asbestos abatement in buildings.	2.0	0.0	0.0	-
Transportation, Federal Aid Highways, Emergency Relief Program*	Highway Trust Fund	0.0	0.0	120.0	-
Federal Railroad Administration, AMTRAK*	Grants for damaged equipment, security, and overhaul of rail passenger cars.	0.0	0.0	55.0	-
Treasury, IRS, , Sec. 1201*	Business Systems modernization	0.0	14.0	0.0	-
Federal Election Commission*	Implementation of the Bipartisan Campaign Reform Act.	0.0	0.8	0.0	-
VA Admin, Medical Care*	Medical care services to priority 1-6 veterans.	142.0	417.0	142.0	-
Dept. of Ed, Student Financial Asst*	Pell Grants Program/c/	1,276.0	1,000.0	0.0	-
Exec. Office of President, Election Admin Reform*	Election administration reform.	0.0	450.0	0.0	-
<b>TOTAL, Non-emergency spending</b>		<b>242.3</b>	<b>2,473.4</b>	<b>1,071.1</b>	-

**Table A-4. Rescissions and Offsets**

(\$s – millions)

Appropriation/Account	Funds Rescinded/Offsets	Request	House action	Senate action	Enacted
<b>Rescissions and Offsets:</b>					
Ag. Dept. , Natural Resources Conservation Service, Watershed Rehabilitation	Funds to rehabilitate aging dams.	(9.0)	0.0	0.0	-
Ag Dept., Export Enhancement Program	Limits expenditures of Export Enhancement Program by \$450 million	0.0	(450.0)	0.0	-
Ag Dept., Rural Utilities Service	Rescinds guaranteed loans for local tv stations	0.0	0.0	(20.0)	-
Commerce, Bureau of the Census	Rescinds \$20.9M for Suitland Federal Center	0.0	0.0	(20.9)	-
Commerce, NOAA	Rescinds funds for National Polar Orbiting Operational environmental Satellite System	0.0	0.0	(8.1)	-
Justice, Salaries and Expenses, US Attorneys	Rescinds \$7M.	0.0	0.0	(7.0)	-
Justice, Salaries and Expenses, US Marshals	Rescinds \$2.1M from Training Academy	0.0	0.0	(2.1)	-
Justice, Drug Enforcement Agency	Rescinds \$13M from Violent Crime Reduction	0.0	0.0	(13.0)	-
Justice, Office of Justice Programs, Justice Assistance	Rescinds \$2M from Off. Of Ass't Attr'y Gen'l & \$2M from Off. of Cong. And Public Affairs	0.0	0.0	(4.0)	-
Justice, Federal Prison System	Rescinds \$30M for buildings and facilities	0.0	0.0	(30.0)	-
DOD, " Other Procurement, Air Force, 01-03" and "Procurement, Defense-Wide, 02-04"	Rescinds FY2001 and FY2002 procurement funds	0.0	(59.0)	0.0	-
District of Columbia, Public education system	Rescind surplus that resulted from lower than projected student enrollment.	0.0	(37.0)	(37.0)	-
District of Columbia, Repayment of loans & interest	Rescind repayment of loans and interest due to lower interest rates and borrowing.	0.0	(8.0)	(8.0)	-
D.C. Operating Funds, Public Safety and Justice	Rescinds \$10K from Corrections Info. Council	0.0	0.0	(0.1)	-

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<b>Appropriation/Account</b>	<b>Funds Rescinded/Offsets</b>	<b>Request</b>	<b>House action</b>	<b>Senate action</b>	<b>Enacted</b>
DOE, Energy Supply, Non Defense Environmental Mgt/Science, Nuclear Waste Disposal/ and Departmental Administration.	Rescinds \$30M from these accounts as provided in P.L. 107-66, w/ specifics to be submitted to Appropriations Committee.	0.0	0.0	(30.0)	-
For Ops, Special Payments to International Financial Institutions	Unobligated balances of 1972/73 appropriations for maintenance of value payments to intl financial institutions to maintain gold value of U.S. contributions.	(157.0)	(159.0)	(159.0)	-
For Ops, Development assistance and Economic Support Fund, Sec. 602	FY2000 and prior year appropriations from development assistance and Economic Support Fund accounts.	0.0	(60.0)	0.0	-
Foreign Operations, Sec. 604	Rescission of prior foreign operations and export financing aid	0.0	0.0	(75.0)	-
Interior, Bureau of Indian Affairs, Ops of Indian Programs	Funds for electric power operations at San Carlos Irrigation Project.	(10.0)	(5.0)	(10.0)	-
L/HHS, Health Resources & Services	Funds for the Community Access Program.	(20.0)	0.0	0.0	-
L/HHS, NIS, Buildings & Facilities	Savings available from the postponement of several NIH construction projects.	(30.0)	(30.0)	(30.0)	-
General provision, Labor, HHS, Dept. of Ed.	Requires pro rata reductions in previous admin. And mgt. Expenses of DOL, HHS, and Dept. of Ed	0.0	0.0	(45.0)	-
NOAA	Limitation on fisheries loan program	(3.0)	(3.0)	(3.0)	-
Transportation, Federal Aid, Highways	Rescinds highway contract authority	0.0	0.0	(320.0)	-
Transportation, Air Carrier Compensation	Unobligated balances of grant fund available under sec. 101(a)(2) of PL 107-42.	0.0	0.0	0.0	-
Transportation, Airline Loan Program	Prohibition of the further issuance of federal credit instruments authorized under sec. 101(a)(1) of PL 107-42.	0.0	(1,254.0)	0.0	-
Treasury, Financial Management Service	Unobligated balances re-appropriated to IRS for higher priority needs.	0.0	(14.0)	(14.0)	-

## CRS-81

<b>Appropriation/Account</b>	<b>Funds Rescinded/Offsets</b>	<b>Request</b>	<b>House action</b>	<b>Senate action</b>	<b>Enacted</b>
Treasury, IRS, Information Systems	Rescission of prior year funds	0.0	0.0	(10.0)	-
Executive Office of the President, OMB	OMB's costs for the Office of Homeland Security	0.0	(0.8)	0.0	-
HUD, VA Administration, Medical & Prosthetic Research	Funds for Medical Prosthetic Research.	(5.0)	0.0	0.0	-
HUD, Public & Indian Housing, Housing Certificate Fund	Unobligated balances available in the Housing Certificate Fund and predecessor programs.	0.0	(300.0)	(300.0)	-
HUD, Community Planning & Development, Rural Housing & Economic Development	Funds for Rural Housing and Economic Development which duplicate USDA programs.	(20.0)	0.0	0.0	-
HUD, Home Investment Partnership Program	Rescinds funds for downpayment assistance	0.0	0.0	(50.0)	-
VA/HUD, Housing Programs, Rental Housing Assistance	Contract authority in excess of required payments.	0.0	(300.0)	0.0	-
<b>TOTAL, Rescissions and Offsets</b>		<b>(254.0)</b>	<b>(2,679.8)</b>	<b>(1,196.2)</b>	-

**Notes:**

\* = non-emergency spending.

<sup>a</sup> Spending categories are described in box on page 5 above.

<sup>b</sup> Defense Emergency Response Fund is a transfer account, where DOD can move monies into other appropriations without being subject to normal reprogramming requirements, which require that DOD notify Congress in advance of transfers between appropriations accounts or other changes.

<sup>c</sup> The Administration requested a \$1.276 billion increase in Pell grants in FY2002 in its original FY2003 budget, and proposed that the funds be offset by eliminating all congressional increases in the Department of Education that were passed by Congress. These funds were not requested in the emergency supplemental request submitted by the Administration on March 21, 2002. Congressional scoring scores the Administration's proposed offset as zero.

<sup>d</sup> The House Appropriations Committee is proposing that funding for election reform be appropriated to OMB to be transferred to other agencies once authorizing legislation that sets up programs to improve the administration of elections is enacted.

**Sources:** Letter of President George Bush to Speaker of the House, the Honorable J. Dennis Hastert, transmitting the FY2002 Emergency Supplemental request, March 21, 2002. See also [<http://w3.access.gpo.gov/usbudget/fy2003/amndsup.html>], House Appropriations Committee tables, H.R. 4775, House Appropriations Committee, *Making Supplemental Appropriations for Further Recovery from and Response to Terrorist Attacks on the United States for the Fiscal Year 2002, and for other purposes*, H.Rept. 107-480, and calculations by CRS.