



THE DIRECTOR

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

January 23, 2002

The Honorable Robert C. Byrd
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (P.L. 107-38), I herewith transmit the first quarterly report on the use of the Emergency Response Fund (ERF) appropriations. The obligations reported cover the period September 18, 2001 through November 30, 2002.

Sincerely,

A handwritten signature in black ink, appearing to read "ME Daniels Jr".

Mitchell E. Daniels, Jr.
Director

Enclosure

Identical Letter Sent to The Honorable C.W. Bill Young,
The Honorable David R. Obey, and The Honorable Ted Stevens

REPORT ON EXPENDITURES FROM THE EMERGENCY RESPONSE FUND

Amounts as of November 30, 2001

(In millions of dollars)

<u>Agency</u>	<u>Budget Authority transferred by November 30th</u>	<u>Cumulative Obligations incurred by November 30th</u>
Department of Commerce	0.1	0.015
Department of Defense	13,335	3,308
Department of Energy	5	3
Department of Health and Human Services	126	106
Department of Housing and Urban Development	700	0
Department of the Interior	3	2
Department of Justice	88	41
Department of Labor	29	29
Department of State	428	15
Department of Transportation	615	25
Department of the Treasury	60	19
Department of Veterans Affairs	0.217	0.01
Executive Office of the President	89	6
Federal Emergency Management Agency	2,000	830
General Services Administration	9	9
International Assistance Programs		
Assistance to States of former USSR	46.5	0
Bureau of Humanitarian Relief (PL 480 Title II)	95	60
Economic Support Fund	600	600
Foreign Military Financing Program	45	0
Int'l Affairs Technical Assistance	3	0
International Disaster Assistance	96	0
Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR)	98	0
Peace Corps	6.5	2
USAID Operating Expenses	17	0.235
Small Business Administration	100	31
Other Independent Agencies		
Broadcasting Board of Governors	29	0.513
CFTC	0.2	0.199
District of Columbia	6	6
Export-Import Bank	0.075	0
Federal Drug Control Programs	2	2
National Transportation Safety Board	0.150	0.150
Judicial Branch	21	N.A.
Legislative Branch	87	N.A.
GRAND TOTAL	18,738	5,095

REPORT ON EXPENDITURES FROM THE EMERGENCY RESPONSE FUND

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(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Commerce			
International Trade Administration			
Operations and Administration	13-1250	<u>100</u>	<u>15</u>
Total		<u>100</u>	<u>15</u>

Of the \$15,000 obligated to date for New York, \$5,000 was used to clean temporary office space for the ITA personnel dislocated by the WTC disaster. \$3,000 was used to buy a server to link the network computer, and \$7,000 for supplies.

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(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Defense - Military			
Increased Situational Awareness	97X0833	4,056,863	1,302,742
Enhanced Force Protection	97X0833	1,509,000	361,387
Improved Command and Control	97X0833	1,273,000	163,749
Increased Worldwide Posture	97X0833	3,542,331	651,963
Offensive Counterterrorism	97X0833	1,490,000	76,449
Procurement	97X0833		
Initial Crisis Response	97X0833	606,000	153,108
Pentagon Repair/Upgrade	97X0833	530,000	480,000
Other	97X0833	100,000	100,000
Airport Security	97X0833	228,000	19,057
Total		13,335,194	3,308,455

In addition to the \$3.3 billion, there are over \$2 billion in pending contract awards and other charges that will be awarded ultimately from the fund.

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(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Energy			
National Nuclear Security Administration			
Weapons Activities	89-0240	<u>5,000</u>	<u>5,000</u>
Total		5,000	5,000

The funds supported the heightened security needs at the Department of Energy's national laboratories.

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		Budget Authority (Transferred)	Obligations Sept. - Nov.
Department of Health and Human Services			
Food and Drug Administration	75X0140	1,750	647
Health Resources and Services Administration	75X0140	45,000	44,928
<i>Community Health Centers (non add)</i>		<i>10,000</i>	
<i>Maternal and Child Health (non add)</i>			
<i>Hospitals (non add)</i>		<i>35,000</i>	
Indian Health Service	75X0140		
Centers for Disease Control and Prevention	75X0140	16,400	8,259
<i>Asthma (non add)</i>		<i>5,400</i>	
<i>Security (non add)</i>		<i>3,000</i>	
<i>Worker Safety (non add)</i>		<i>5,000</i>	
<i>Public Health Assistance (non add)</i>		<i>3,000</i>	
<i>Bioterrorism (non add)</i>			
National Institutes of Health	75X0140		
Substance Abuse and Mental Health Services Admin	75X0140	28,000	27,056
Agency for Healthcare Research and Quality	75X0140		
Centers for Medicare and Medicaid Services	75X0140	10,000	
<i>CMS Contractors (non add)</i>		<i>10,000</i>	
Administration for Children and Families	75X0140	23,700	23,700
Administration on Aging	75X0140	1,300	1,300
Office of the Secretary	75X0140		
Total		126,150	105,890

Funds obligated provide enhanced guard services for FDA (\$.044 million). HRSA obligations were provided to offset healthcare expenses, such as patient care and on-site treatment, to those affected by the terrorist attacks in NY, NJ, CT, VA, PA, and DC (\$34.928 million). CDC funding provides necessary physical security improvements and increases internal security staff (\$3.013 million).

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(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Housing and Urban Development			
Community Planning and Development	86X0162	<u>700,000</u>	<u>-</u>
Total		<u>700,000</u>	<u>-</u>

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		Budget Authority (Transferred)	Obligations Sept. - Nov.
Department of the Interior			
National Park Service			
Operation of the National Park System	14X1036	1,713	1,036
United States Park Police	14X1049	1,400	1,400
Total		3,113	2,436

ONPS

Funds were used in New York for rescue and recovery efforts and initial clean up operations. In other areas of the National Park System, funds were used for increased security and additional patrols.

USPP

In New York the funds were expended to assist recovery efforts in lower Manhattan, provide assistance to other Federal agencies with primacy in the criminal investigation, provide assistance to military facilities contained within NPS lands and to provide additional law enforcement coverage at NPS sites such as the Liberty Island, Federal Hall, Castle Clinton, etc. In the Washington, D.C. area funds were expended to assist in evacuation and recovery efforts at the Pentagon, provide enhanced security for the President, Vice President, and designated cabinet level officials of the United States, provide protection for visiting heads of state, provide enhanced level of security (in coordination with the Secret Service) at the White House, provide additional law enforcement coverage at NPS sites, such as the Washington Monument, Lincoln Memorial, Jefferson Memorial, and other NPS sites adjacent to the U.S. Capitol and other facilities critical to the national infrastructure.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Justice			
Civil Division			
Salaries and Expenses	15X0128	7,300	353
Federal Bureau of Investigation			
Salaries and Expenses	15X0130	36,900	36,900
United States Marshals Service			
Salaries and Expenses	15X0130	3,900	1,855
Federal Bureau of Investigation			
Salaries and Expenses	15X0200	<u>39,700</u>	
	Total	<u>87,800</u>	<u>39,108</u>

The funds will be used to support the FBI's extraordinary expenses incurred in investigating the September 11th attacks and will provide assistance to the U.S. Marshals service for increased airport and courthouse security. Funds for the Civil Division were used to administer Federal victims relief activities.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Labor			
Training and Employment Services	16X0174	25,000	25,000
SUIESO	16X0179	3,500	3,500
OSHA	16X0400	500	457
	Total	<u>29,000</u>	<u>28,957</u>

The funds were used for the following activities directly related to the terrorist attacks on the United States on September 11, 2001. Training and Employment Services: funding for temporary jobs in disaster recovery. SUIESO: restore capacity to process UI claims lost in terrorist attack; OSHA: provide on-site safety and health monitoring at the attack sites.

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(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of State			
Bureau of Information Resource Management			
Capital Investment Fund /1	19-0120	7,500	7,500
Capital Investment Fund /7	19-0120	7,500	
Department of State - Various Bureaus			
Diplomatic and Consular Programs /2 - A	19-0113	390	390
Diplomatic and Consular Programs /4 - DS	19-0113	30,000	
Diplomatic and Consular Programs /5 - S/CT	19-0113	6,000	
Diplomatic and Consular Programs /6 - MED	19-0113	7,700	
Diplomatic and Consular Programs /8 - INR	19-0113	200	
Diplomatic and Consular Programs /9 - A	19-0113	66,700	
Diplomatic and Consular Programs /11 - A/DS	19-0113	10,000	
Diplomatic and Consular Programs /15 - PA	19-0113	15,000	
Bureau of Financial Management and Policy			
Emergencies in the Diplomatic and Consular Service /3	19-0522	41,000	3,150
Emergencies in the Diplomatic and Consular Service /10	19-0522	10,000	
Overseas Buildings Operations			
Embassy Security Construction and Maintenance /12	19-0535	52,850	
Subtotal, State Department Appropriations Act		254,840	11,040
Bureau of Population, Refugees, and Migration			
Migration and Refugee Assistance /13	19-1143	100,000	4,000
Bureau of International Narcotics Control & Law Enforcement			
International Narcotics and Law Enforcement /14	11-1022	73,000	
Subtotal, State Department Foreign Operations		173,000	15,040
Total		427,840	15,040

/1 Funds were used to procure emergency High Frequency radio equipment for the highest priority U.S. missions overseas.

/2 Funds will continue to be used to procure emergency communications radio equipment for domestic Department of State operations.

/3 Funds have been, and will continue to be, used for evacuations of personnel and/or family members from: Islamabad, Karachi,

/4 Funds will be used to hire 203 Diplomatic Security special agents.

/5 Funds will be used for Counterterrorism requirements.

/6 Funds will be used for Medical Services requirements.

/7 Funds will be used for Secure Telephones.

/8 Funds will be used to support the Intelligence Community's Counterterrorism Center.

/9 Funds will be used for security enhancements at State Department facilities.

/10 Funds will be used for evacuations and transportation of specialized equipment.

/11 Funds will be used for diplomatic security and mail safety improvements.

/12 Funds will be used for compound security and emergency egress projects at U.S. facilities overseas.

/13 Funds have been, and will continue to be, used for refugee assistance in Pakistan and other neighboring countries

/14 Funds will be used for Pakistan border security improvements.

/15 Funds will be used for public diplomacy requirements.

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(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Transportation			
Federal Aviation Administration			
Operations - General Fund	69-1301	459,000	7,783
Facilities and Equipment	69-8107	87,500	
Aviation Insurance Revolving Fund	69-4120	50,000	
United States Coast Guard			
Operating Expenses	69-0201	18,000	17,000
	Total	614,500	24,783

The Federal Aviation Administration's obligated funds were used to expand and support the Federal Air Marshal program, to hire additional security agents and to reimburse other agencies for detailed personnel's travel and other expenses (but not for PC&B). Obligations reflect information in the FAA's accounting system through 12/05/01 to show processing of obligations that hit the system at the very end of November.

The Coast Guard funds were primarily used to cover the costs associated with activating the Coast Guard Reserve force necessary to immediately safeguard major U.S. ports. Specifically, the funds were used for Reserve pay, medical benefits and travel. The balance of the funding covered urgent physical security improvements, cutter fuel for increased patrols and pre-deployment costs for Port Security Units.

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		Budget Authority (Transferred)	Obligations Sept. - Nov.
Department of the Treasury			
Departmental Offices			
Salaries and Expenses	20-0101	6,100	935
Air Transportation Stabilization Program	20-0122	9,400	
Bureau of Alcohol, Tobacco and Firearms			
Salaries and Expenses	20-1000	1,530	1,314
Financial Crimes Enforcement Network			
Salaries and Expenses	20-0173	60	57
Financial Management Service			
Salaries and Expenses	20-1801	110	63
Internal Revenue Service			
Processing, Assistance and Maintenance	20-0912	1,920	805
Tax Law Enforcement	20-0913	2,170	1,107
Information Systems	20-0919	450	200
U.S. Customs Service			
Salaries and Expenses	20-0602	23,337	13,737
Operations and Maintenance, Air & Marine			
Interdiction Programs	20-0604	14,700	1,162
Total		59,777	19,380

- o Pay for overtime, Sunday/Holiday Pay, night differential and travel costs incurred for response and investigative efforts at the New York, Pennsylvania and Pentagon disaster sites; the Northern Border; high-risk ports (including an expanded/heightened security presence at airports and land borders); the Anti-Terrorism Tip Line in Atlanta; the Martinsburg Computing Center (MCC) (including, among other things, overtime to effect software reprogramming to suspend delinquent tax notices in impacted areas); enhanced security activities at the MCC by the West Virginia State Police; and other related investigative and law enforcement efforts.
- o Procure ammunition, radio and investigative equipment, special agent automobiles, a truck, office supplies, contracts for automation services, equipment, telephones and cellular telephones, all of which were lost or destroyed at the World Trade Center complex.
- o Procure engineering and security requirements to prepare temporary WTC replacement space for occupancy.
- o Print additional special disaster notices to grant tax relief and to extend filing deadlines.
- o Provide for air support and counter-terrorism and air space security.
- o Provide grief counseling to IRS employees and their family members as a direct result of the events of September 11.
- o Secure additional inspectional support in the state of Michigan from the National Guard (Memorandum of Understanding is currently being reviewed by DoD).

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Department of Veterans Affairs			
National Cemetery Administration (NCA)	36 1 0129	<u>217</u>	<u>10</u>
Total		217	10

The funds for NCA were used for interment in National Cemeteries for veterans who died in the September 11th attacks.

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Amounts as of November 30, 2001

(In thousands of dollars)

		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Executive Office of the President			
Office of Administration	11X0038	32,725	4,414
Unanticipated Needs	11X0037	51,000	
National Security Council	11X2000	4,800	1,100
Total		<u>88,525</u>	<u>5,514</u>

This money was obligated for move related costs for both Homeland Security and other components within the EOP, computer and other related equipment purchases for Homeland Security, and payroll costs for Homeland Security.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Federal Emergency Management Agency			
Disaster Relief Fund	58-0104	<u>2,000,000</u>	<u>830,248</u>
	Total	2,000,000	830,248

The funds were used for disaster response and recovery activities and assistance, including support for urban search and rescue teams, debris removal, temporary housing, crisis counseling, disaster unemployment assistance, and other assistance to individuals.

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Amounts as of November 30, 2001

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
General Services Administration			
Public Buildings Service			
Federal Buildings Fund	47X4542	<u>8,600</u>	<u>8,600</u>
Total		<u>8,600</u>	<u>8,600</u>

Funds obligated were primarily used to provide increased security which includes overtime costs for law enforcement personnel, additional guards, equipment purchases, and updating communications systems. The balance was used for preparing office space for agency relocations in New York City area. Obligations identified for Virginia, includes the Washington metropolitan area.

REPORT ON EXPENDITURES FROM THE EMERGENCY RESPONSE FUND

Amounts as of November 30, 2001

(In thousands of dollars)

		Budget Authority (Transferred)	Obligations Sept. - Nov.
<u>International Assistance Programs</u>			
US Agency For International Development			
Europe and Eurasia Bureau			
Assistance for the New Independent States of the former Soviet Union	72X1093	46,500	
Bureau of Humanitarian Relief			
PL 480 Title II	12X2278	95,000	60,438
International Disaster Assistance	72X1035	96,000	
Asia Near East Bureau			
Economic Support Fund	72X1037	600,000	600,000
Management Bureau			
Operating Expense	72X1000	17,400	235
Total		854,900	660,673

The PL 480 Title II funds were used for activities related to Tajikistan. The Economic Support Funds were used for a cash Disbursement to Pakistan.

Department of State

Nonproliferation, Anti-Terrorism, Demining and Related Programs			
NADR	11-1075	97,700	
Bureau of Political and Military Affairs			
Foreign Military Financing Program	11-1082	45,000	
Total		142,700	

NADR funds will be used for security training, the terrorist interdiction program and demining in Afghanistan.

Foreign Military Financing Program funds will be used to provide defense services and equipment to Turkey and Uzbekistan in support of the war on terrorism.

Department of the Treasury

Departmental Offices			
International Affairs Technical Assistance	11-1045	3,000	
		3,000	
Peace Corps			
General and special funds	11X100	6,490	1,669
Total		6,490	1,669

The funds have been used to set up an interim office for the New York Recruiting Office. In addition, Volunteers and staff have been evacuated from four Peace Corps country programs.

International Assistance Programs, Total

1,007,090

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Small Business Administration			
Salaries and Expenses Account	73X0100	40,000	7,712
Disaster Loans Account	73X1152	<u>60,000</u>	<u>23,170</u>
Total		100,000	30,882

The funds were used for disaster loans in New York and Virginia, and related loan making Administrative expenses.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Broadcasting Board of Governors			
International Broadcasting Operations	95-0206	12,250	513
Broadcasting Capital Improvements	95-0204	16,400	
Total		<u>28,650</u>	<u>513</u>

These funds were used to initiate planned surge broadcasting, recruitment, overtime, transmission, and some additional salary costs.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Commodity Futures Trading Commission (CFTC)			
Salaries and Expenses	95X1400	200	199
Total		200	199

The funds were used to provide for the immediate response to events of 9/11/01 by reestablishing the offices of CFTC in New York.

This includes but is not limited to the short-term rental of space, equipment, and furniture and the transportation of such and to provide for unanticipated expenses related to reestablishing a Commission presence in New York.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
District of Columbia			
Metropolitan Police Department			
Overtime	20X1707	5,135	5,135
Equipment/Supplies/Other	20X1707	102	102
Fire/EMS			
Overtime	20X1707	267	267
Equipment/Supplies/Other	20X1707	2	2
Emergency Management Agency			
Overtime	20X1707	36	36
Equipment/Supplies/Other	20X1707	112	112
Property Management/Protective Services			
Overtime	20X1707	0	0
Equipment/Supplies/Other	20X1707	184	184
National Guard			
Overtime	20X1707	0	0
Equipment/Supplies/Other	20X1707	40	40
Department of Mental Health			
Overtime	20X1707	39	39
Equipment/Supplies/Other	20X1707	24	24
Department of Public Works			
Overtime	20X1707	25	25
Equipment/Supplies/Other	20X1707	22	22
	Total	<u>5,988</u>	<u>5,988</u>

The funds were used for disaster recovery activities and assistance at the Pentagon, in addition to providing heightened security at the White House, Capitol, other federal buildings, and critical District sites. Other costs outside of the Public Safety agencies include costs associated with street closures in and around numerous federal buildings and evacuation activities. Mental Health costs are included for services provided to District residents as a result of the events occurring and following September 11 activities.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Export-Import Bank of the United States			
New York Regional Office, 6 World Trade Center			
Rent, Office Equipment replacement	83-0100	75	-
Management Service			-
Bureau of Agency			-
	Total	<u>75</u>	<u>-</u>

The funds will be used for disaster recovery activities and assistance to relocate the approximately 1,000 employees who were located in or near the World Trade Center complex, most of whose offices were destroyed. Also, funds were used to retrieve the black boxes of the planes that crashed.

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		<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
Federal Drug Control Programs			
High Intensity Drug Trafficking Areas Program (through ONDCP)	11X1070	2,300	2,300
		2,300	2,300

ONDCP Funds were used to relocate HITDA employees located at the World Trade Center.

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	<u>Budget Authority (Transferred)</u>	<u>Obligations Sept. - Nov.</u>
National Transportation Safety Board		
Departmental Offices		
Salaries and Expenses	95-0310 _____ 150	_____ 150
	150	150

The funds were used for personnel-related costs of investigating aviation incidents associated with the September 11th events.