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A REQUEST FOR SUPPLEMENTAL APPROPRIATIONS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REQUEST FOR FY 2001 SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENTS OF AGRICULTURE, DEFENSE (INCLUDING THE ARMY CORPS OF ENGINEERS), ENERGY, HEALTH AND HUMAN SERVICES, HOUSING AND URBAN DEVELOPMENT, THE INTERIOR, TRANSPORTATION, THE TREASURY, AND VETERANS AFFAIRS; INTERNATIONAL ASSISTANCE PROGRAMS; AND THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

JUNE 5, 2001.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,
Washington, June 1, 2001.

The Speaker of the House of Representatives.

SIR: I ask the Congress to consider expeditiously the enclosed requests for FY 2001 supplemental appropriations for the Departments of Agriculture, Defense (including the Army Corps of Engineers), Energy, Health and Human Services, Housing and Urban Development, the Interior, Transportation, the Treasury, and Veterans Affairs; International Assistance Programs; and the National Aeronautics and Space Administration. The additional resources requested are within the FY 2001 discretionary spending limits enacted by Congress last year.

The supplemental request is primarily for defense activities related to pay, support, training and quality of life for military personnel, as well as the coverage of regular operations costs in the current fiscal year. It is imperative to reverse the pattern of underfunding these costs in the annual appropriations measure. Over the last few years, it has become evident that this approach has created uncertainty in the fourth quarter of the fiscal year and disruption to necessary defense operations. The upcoming amendment to my FY 2002 Budget will incorporate elements of the ongoing strategy review currently underway by the Secretary of Defense. But, it is essential that we start off on the right footing. This supplemental request is a much needed recovery effort and helps lay the groundwork on which the strategy review will build. Favorable and prompt consideration of this request will help achieve this objective.

This transmittal also contains FY 2001 supplemental proposals for the Legislative Branch. In the spirit of comity with the Congress, the supplemental requests for the Legislative Branch are transmitted as proposed by Congress.

The details of these actions are set forth in the enclosed letter from the Deputy Director of the Office of Management and Budget. I concur with his comments and observations. To facilitate the orderly conduct of operations, I urge the Congress to expeditiously enact appropriations as requested before the scheduled July recess.

Sincerely,

GEORGE W. BUSH.

Enclosure.

Estimate No. 5
107th Congress, 1st Session

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

June 1, 2001

THE DEPUTY DIRECTOR

The President

The White House

Submitted for your consideration are requests for FY 2001 supplemental appropriations for the Department of Defense (including the Army Corps of Engineers) and for the Departments of Agriculture, Energy, Health and Human Services, Housing and Urban Development, the Interior, Transportation, the Treasury, and Veterans Affairs; International Assistance Programs; and the National Aeronautics and Space Administration. The additional resources requested are within the FY 2001 discretionary spending limits enacted by Congress and are partially offset by proposed reductions included in this transmittal.

As described below and in more detail in the enclosures, the supplemental requests include the following:

Department of Defense (DoD)

As part of your Administration's effort to address existing DoD needs, a total of $6.1 billion in supplemental appropriations is requested, partially offset by a reduction of $0.5 billion in DoD FY 2001 funding. The resulting requests for new DoD discretionary budget authority total $5.6 billion. See the enclosed table that summarizes DoD's requirements by appropriation title.

Funding is required to finance increased personnel costs resulting from improved health care technologies, newly expanded health benefits, recent pay and benefit increases, and housing allowances. DoD's ability to ensure continuity and leadership depends on retaining highly skilled personnel, and this supplemental is necessary to prevent migration of resources from other areas of the DoD budget. Furthermore, additional funds would support increased housing allowances, thereby reducing out-of-pocket costs to service members living off base.

The supplemental requests would also provide funding to maintain essential levels of training and readiness. In order to maintain pilot proficiency, the military services' fleets of aging aircraft require more resources to achieve adequate flight operation levels. Further, the request includes additional resources necessary for base operations in order to avoid shifting funds from other needs such as unit training. Funds are also requested for evolving operations, such as Sierra Leone, and to alleviate vulnerabilities in antiterrorism force protection, recently identified by the bombing of the U.S.S. Cole.

In addition, the supplemental request would finance cost growth and contractual commitments for several programs: the C-17 and the Airborne Laser; ships under contract; and, in furtherance of U.S.-Japan relations, the Navy's ability to follow through on plans to recover the bodies of victims lost in the U.S.S. Greeneville-EHIME MARU accident. Further, as a major Federal energy user, DoD has experienced significant increases in the price of electricity, as well as increases in the price of natural gas since last year. Included in this proposal are requests for an energy reduction initiative to assist California in its effort to address the peak energy demand on military bases in that State.

Furthermore, the requested funding would accelerate the transformation of U.S. military capabilities to counter post-Cold War threats more decisively, something that both you and Secretary Rumsfeld have emphasized. The supplemental funds requested would accelerate the development of: information warfare capabilities to enhance the intelligence community's ability to detect terrorist threats; the Global Hawk unmanned aerial vehicle to improve the surveillance and reconnaissance capabilities of deployed forces; and miniature munitions to increase the payload capabilities of combat aircraft. Such funding would expand joint experimentation efforts through additional simulations and other initiatives and bolster programs that are especially promising for the needed transformation of America's defense posture.

As noted above, the proposed supplemental funding for DoD for FY 2001 totals $6.1 billion. This transmittal also includes proposals to reduce $0.5 billion of available FY 2001 funding. The proposed reductions include $475.0 million from the V-22 aircraft procurement program (as distinguished from increased funds for research, development, test and evaluation for V-22 corrective action) and $30.0 million from the B-52 bomber modifications program. These funds are excess to current requirements.

Department of Agriculture (USDA)

- An additional $35.0 million is requested for USDA's Animal and Plant Health Inspection Service to strengthen border inspections and to better monitor emerging animal and plant diseases, including foot and mouth disease.

- A proposal is included that would provide assistance to producers in the Klamath Basin area of Oregon and California that are subject to extraordinary circumstances resulting from limited water availability.

Department of Energy (DOE)

- $140.0 million is proposed for DOE's Weapons Activities program to ensure the safety and operational readiness of the nuclear weapons stockpile.

- A total of $180.0 million is requested for environmental activities that include site cleanup of waste and contamination from nuclear weapons production and energy research; completion of environmental management projects at several defense facilities closure sites; and activities that address recently identified environment, safety, and health issues at the Paducah, Kentucky, gaseous diffusion plant.

Department of Health and Human Services

- An additional $150.0 million is proposed for the Low Income Home Energy Assistance Program (LIHEAP) to provide home energy assistance to low-income households in the event of extreme summer heat or other energy-related problem. At the present time, no LIHEAP funds are available to address these potential conditions.

Department of Housing and Urban Development (HUD)

- An additional $40.0 million is requested to fund Federal Housing Administration (FHA) loan guarantees of apartment developments. New mortgage loans are currently suspended due to a lack of appropriations. This funding, in conjunction with a modest increase in premiums, would allow FHA to resume the program.

- A proposal is included that would allow HUD to use FY 2001 resources for a corrective action in response to a probable FY 2000 Anti-Deficiency Act violation, which occurred during the prior HUD administration.

Department of the Interior (DOI)

- $50.0 million is requested to allow the Bureau of Indian Affairs to repay the accounts in DOI, from which funds have been transferred to purchase power, and to prevent the shutdown of San Carlos Irrigation Project electric power operations in Arizona.

Department of Transportation

- An additional $92.0 million is requested for Coast Guard expenses related to increased fuel costs; pay and health care benefits; shortages in aviation spare parts; and for costs of deploying Coast Guard Port Security units to the Middle East.

- A proposal is included that would cancel $93.0 million for construction and improvement of I-49 in Arkansas. If improvements to I-49 are warranted, the State could use its Federal-aid highway formula allocation for this project.

Department of the Treasury

- $60.6 million is requested to support Department of the Treasury bureaus and other Federal agencies for operational and perimeter security support costs at the 2002 Winter Olympics in Salt Lake City.

- A total of $115.8 million is requested to implement a tax rebate program. The requested funding would provide for costs associated with the processing and mailing of tax rebate checks to taxpayers.

Department of Veterans Affairs

Mandatory funding.-The entire amount of the increase of these entitlements was included in the FY 2002 Budget and baseline calculations for the current year as items to be transmitted to the Congress later. Enactment of this request would have no pay-as-you-go effect. Absent this adjustment, there may be insufficient funds to pay these mandatory benefits for the remainder of the current fiscal year.

- An additional $589.4 million and an increase to the statutory limitation is proposed to assure payment to veterans and their families of mandatory disability compensation and pension benefits that were enacted in law after the FY 2001 Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act (P.L. 106-377) was enacted. The request includes funding for a 3.5 percent benefit increase for veterans with service-connected disabilities and survivors of certain disabled veterans, and provides for rate adjustments due to the Consumer Price Index computation error of 1999.

- An additional $347.0 million is requested to assure payment of mandatory increases in Montgomery GI Bill (MGIB) and related benefits that were enacted in law after P.L. 106-377 was enacted. The funds requested would be made available to ensure payment of a 21-percent increase in basic full-time education monthly benefit rates, an increase in monthly rates for survivors and dependents education assistance, and a change allowing $2,000 per person for licensing and certification testing under MGIB.

Discretionary transfer authority.-A proposal is included that would permit the transfer of not more than $19.0 million from the Medical Care account to General Operating Expenses account to provide for additional expenses related to claims processing in the Veterans Benefits Administration. Due to enactment of the Veterans Claims Assistance Act of 2000, and the addition of diabetes to the list of diseases associated with exposure to certain herbicide agents, as provided by the Agent Orange Act of 1991, more than 450,000 claims would be added to the processing workload.

Army Corps of Engineers

- $50.0 million is requested to provide required response and preparedness work attendant to natural disasters in FY 2001. This is in addition to available funds which are not sufficient to cover these costs in FY 2001.

International Assistance Programs

- A proposal is included that would cancel $20.0 million of FY 2000 unobligated balances in the Economic Support Fund. This reduction will not impact current operations.

National Aeronautics and Space Administration

- A proposal is included that would allow funds previously designated for the R-2 research mission on the Space Shuttle to be used for support of life and micro-gravity science research on the STS-107 Space Shuttle research mission and for research on the International Space Station. The R-2 mission has been significantly delayed, and the remaining funds will expire at the end of FY 2001 without this action.

In addition, FY 2001 supplemental proposals for the Legislative Branch are included in this transmittal. These supplemental requests for the Legislative Branch are transmitted without change as originally proposed by the Congress.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. The estimates are within the statutory limits for discretionary spending established by Congress last year. The funding requests are necessary to continue orderly operations of the government this fiscal year. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the proposals to the Congress.

Sincerely,

Sean O'Keefe
Deputy Director

Enclosures

Summary of Department of Defense Requirements By Appropriations Title
(Budget authority in millions of dollars)

Title I - Military Personnel

Legislated Pay	116.0
Housing Survey Results	210.0
Army Subsistence	28.0
Army Reserve Training	42.0
Navy Officer Pay Table Reform	28.0
Permanent Change of Station Moves	58.0
Recruiting and Retention	33.0
Total Title I	**515.0**

Title II - Operation and Maintenance

Flying Hour Costs	970.0
Focus RELIEF	36.0
Base Operations	414.0
Second Destination Transportation	62.0
Force Protection	33.0
Contractor Logistics Support	63.0
Joint Exercises	11.0
EHIME MARU	36.0
Army Reserves Contingency Operations	32.0
Utilities	465.0
California Electrical Demand Reduction	24.5
Real Property Maintenance	186.0
Depot Maintenance (Aircraft & Ship)	476.0
U.S.S. Cole Repair	44.0
Classified Programs	65.2
Total Title II	**2,917.7**

Title III – Procurement

Training Munitions	73.0
C-17 Overhead Costs	49.0
Cost Growth on Ships under Contract	222.0
California Electrical Demand Reduction	4.2
Classified Programs	202.5
Total Title III	**550.7**

Title IV – Research, Development, Test and Evaluation

Airborne Laser	153.0
Launch Vehicle Demonstration	48.0
Global Hawk	25.0
Miniature Munitions	20.0
Joint Experimentation	15.0
V-22 Aircraft	80.0
Classified Programs	99.5
Total Title IV	**440.5**

Title V – Defense Working Capital Fund (DWCF)

Utilities	178.4
Total Title V	**178.4**

Title VI – Other Department of Defense Programs

Defense Health Program	1,427.0
Utilities (Defense Health Program)	26.4
Total Title VI	**1,453.4**

Military Construction, Family Housing and Base Realignment and Closure (BRAC)

Utilities (Family Housing)	64.2
California Electrical Demand Reduction (Family Housing)	1.3
Oman Runway Repair (Military Construction)	18.0
BRAC Environmental	9.0
Total Military Construction, Family Housing and Base Realignment and Closure (BRAC)	**92.5**
Total DoD Supplemental Request	**6,148.2**
DoD Reductions	**-505.0**
Total New Budget Authority Request for DoD	**5,643.2**

DEPARTMENT OF AGRICULTURE

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Salaries and Expenses

For an additional amount for "Salaries and Expenses," $35,000,000, to remain available until September 30, 2002.

This proposal would provide an additional $35 million for USDA's Animal and Plant Health Inspection Service to strengthen border inspections, to better monitor emerging animal and plant diseases, including foot and mouth disease (FMD). Funding would be used for: hiring veterinarians to monitor for diseases such as FMD worldwide; funding additional inspectors and canine border teams for surveillance at U.S. borders; as well as purchasing additional x-ray machines.

DEPARTMENT OF AGRICULTURE

GENERAL PROVISIONS

In addition to amounts otherwise available, not to exceed $20,000,000 from amounts pursuant to 15 U.S.C. 713a-4, for the Secretary of Agriculture to make available financial assistance to eligible producers in the Klamath Basin, as determined by the Secretary.

This program would provide assistance to producers in the Klamath area of Oregon and California that are subject to extraordinary circumstances resulting from limited water availability.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Military Personnel, Army

For an additional amount for "Military Personnel, Army," $164,000,000.

These funds would provide resources to finance:

- $33.0 million for requirements for new pay levels and benefits created by the FY 2001 National Defense Authorization Act, notably the increase in enlisted (E-5 to E-7) pay and the increase in the Base Allowance for Housing for E-1s to E-3s to the same level as E-4s;
- $78.0 million for increased Basic Allowance for Housing rates due to a new rate-setting methodology;
- $28.0 million for food costs due to increased prices, greater retention, and additional requirements for operational rations during training; and
- $25.0 million for Permanent Change of Station costs under the Full Service Moving Project, a pilot program to improve the way DoD ships household goods for our military personnel and their families.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Military Personnel, Navy

For an additional amount for "Military Personnel, Navy," $84,000,000.

These funds would provide resources to finance:

- $30.0 million for requirements for new pay levels and benefits created by the FY 2001 National Defense Authorization Act, notably the increase in enlisted (E-5 to E-7) pay and the increase in the Basic Allowance for Housing for E-1s to E-3s to the same level as E-4s;

- $13.0 million for increased Basic Allowance for Housing rates due to a new rate-setting methodology;

- $28.0 million for the cost of higher pay rates and increased officer retention experienced due to the pay table reform implemented in July 2000; and

- $13.0 million for Permanent Change of Station costs under the Full Service Moving Project, a pilot program to improve the way DoD ships household goods for our military personnel and their families.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Military Personnel, Marine Corps

For an additional amount for "Military Personnel, Marine Corps," $69,000,000.

These funds would provide resources to finance:

- $10.0 million for new pay levels and benefits created by the FY 2001 National Defense Authorization Act, notably the increase in enlisted (E-5 to E-7) pay and the increase in the Basic Allowance for Housing for E-1s to E-3s to the same level as E-4s;
- $45.0 million for increased Basic Allowance for Housing rates due to a new rate-setting methodology; and
- $14.0 million for Permanent Change of Station costs under the Full Service Moving Project, a pilot program to improve the way DoD ships household goods for our military personnel and their families.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Military Personnel, Air Force

For an additional amount for "Military Personnel, Air Force," $126,000,000.

These funds would provide resources to finance:

- $28.0 million for new pay levels and benefits created by the FY 2001 National Defense Authorization Act, notably the increase in enlisted (E-5 to E-7) pay and the increase in the Dislocation Allowance for E-1s to E-4s to the same level as E-5s, and the increase in the Basic Allowance for housing for E-1s to E-3s to the same level as E-4s;

- $59.0 million for increased Basic Allowance for Housing rates due to a new rate-setting methodology;

- $33.0 million for recruiting incentives needed to help the Air Force reach its accession goals for FY 2001; and

- $6.0 million for Permanent Change of Station costs under the Full Service Moving Project, a pilot program to improve the way DoD ships household goods for our military personnel and their families.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Reserve Personnel, Army

For an additional amount for "Reserve Personnel, Army," $52,000,000.

These funds would provide resources to finance:

- $4.0 million for requirements for increased enlisted (E-5 to E-7) pay created by the FY 2001 National Defense Authorization Act, increases in the Basic Allowances for housing for E-1s to E-3s to the same level as E-4s, and increased special pay for reserve medical and dental officers;

- $42.0 million for pay for increased inactive duty training (IDT) and increased entitlements for Permanent Change of Station and Full Time Support of the reserves. The IDT participation rates are higher than expected and the costs for drills are higher due to participation of more senior personnel; and

- $6.0 million for increased Basic Allowance for housing rates due to a new rate-setting methodology.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

Reserve Personnel, Air Force

For an additional amount for "Reserve Personnel, Air Force," $2,000,000.

These funds would provide resources to finance costs of increased enlisted (E-5 to E-7) pay created by the FY 2001 National Defense Authorization Act, and increases in special pay for reserve medical and dental officers.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

National Guard Personnel, Army

For an additional amount for "National Guard Personnel, Army," $6,000,000.

These funds would provide resources to finance costs of increased enlisted (E-5 to E-7) pay created by the FY 2001 National Defense Authorization Act, increases in the Basic Allowance for housing for E-1s to E-3s to the same level as E-4s, and increased special pay for reserve medical and dental officers.

DEPARTMENT OF DEFENSE

MILITARY PERSONNEL

National Guard Personnel, Air Force

For an additional amount for "National Guard Personnel, Air Force," $12,000,000.

These funds would provide resources to finance:

- $3.0 million for costs of increased enlisted (E-5 to E-7) pay created by the FY 2001 National Defense Authorization Act, increases in the Basic Allowance for Housing for E-1s to E-3s to the same level as E-4s, and increases in special pay for reserve medical and dental officers; and

- $9.0 million for increased Basic Allowance for Housing rates driven by a new rate-setting methodology.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Army

For an additional amount for "Operation and Maintenance, Army," $655,800,000.

These funds would provide resources to finance operating needs for the Department of the Army to maintain current, necessary levels of readiness. This request includes:

- $300.0 million to reimburse Army Base Operations Support programs where funds were diverted earlier this year to cover operational requirements and costs of maintaining readiness;
- $10.7 million in costs for DoD's role in the U.S. Government's effort to move the peace process forward in Sierra Leone;
- $62.0 million to finance the movement of essential material among Army facilities in order to provide support to people, readiness, and transformation of the Army;
- $173.1 million to finance the increases in the cost of base utilities due to the recent rate increases for natural gas and electricity. The Army has also embarked on a demand reduction program to assist California in its effort to ease its energy costs. The Department intends to reduce its peak demand by 15 percent by year's end;
- $107.0 million for real property maintenance. This request would fund repairs to buildings, warehouses, aprons, utility plants, and distribution systems where troops work every day; and
- $3.0 million for classified programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Navy

For an additional amount for "Operation and Maintenance, Navy," $953,400,000.

This request would fund operating needs of the Department of the Navy and enable the Navy to maintain readiness. These funds would provide resources to finance:

- $425.0 million for the flying hour program to maintain a level of flight operations that would enable pilots to maintain their proficiency and readiness;
- $200.0 million to address ship depot maintenance requirements to help sustain the condition of the fleet;
- $77.0 million to fund additional aircraft depot maintenance needs, offsetting cost growth;
- $83.0 million to address various bills related to the operations and support of the Navy's bases;
- $22.0 million to mitigate the most pressing antiterrorism and force protection requirements of some of the Nation's most forward deployed forces, including waterside security systems, physical security, and harbor patrol boats;
- $36.0 million for operations related to the EHIME MARU accident. In furtherance of U.S.-Japan relations, the funds are required for the U.S. Government to follow through on plans to recover the remains of those crew members and students killed in the U.S.S. Greeneville-EHIME MARU accident;
- $7.0 million to support participation in the U.S. Government's efforts supporting the United Nations Mission in Sierra Leone, including the drawdown of military equipment and the conduct of military education and training of African peacekeeping troops;
- $37.0 million to finance increases in the cost of base utilities due to rate increases for natural gas and electricity;
- $14.0 million to implement an energy demand reduction program in California to reduce peak demand by 15 percent;
- $44.0 million for maintenance and repair at naval facilities; and
- $8.4 for classified programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Marine Corps

For an additional amount for "Operation and Maintenance, Marine Corps," $54,400,000.

These funds would provide resources to finance operating needs of the Marine Corps, including:

- $11.0 million to address antiterrorism and force protection requirements and to substantially mitigate recently recognized force protection vulnerabilities. High priority requirements include electronic security systems, physical security, detection equipment, and training for installation response to weapons of mass destruction. With this funding, the Marine Corps would be able to reduce identified vulnerabilities and increase its ability to guard against, deter, and respond to terrorist incidents;

- $38.0 million to finance increases in the cost of base utilities, driven by rate increases for natural gas and electricity; and

- $5.4 million to implement an energy demand reduction program in California.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Air Force

For an additional amount for "Operation and Maintenance, Air Force," $853,200,000.

These funds would provide resources to finance operating needs for the Department of the Air Force, including:

- $418.0 million to fully fund the Air Force's flying hour programs, which have had cost increases in spare parts, depot labor, materials, and overhead;
- $175.0 million for aircraft depot maintenance to meet aircraft availability demands and prevent deferral of overhauls;
- $136.2 million to finance increases in the cost of base utilities, driven by the recent rate increases for natural gas and electricity;
- $63.0 million to pay for contractor logistics support for safety, increased training, and other requirements;
- $3.8 million to fund costs that the DoD is incurring for its participation in the U.S. Government's effort in Sierra Leone;
- $38.8 million for base support, real property, and other needs; and
- $18.4 million for classified programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Defense-wide

For an additional amount for "Operation and Maintenance, Defense-wide," $93,800,000.

These funds would provide resources to finance:

- $20.0 million for costs of the flying hours program for Special Operations Command aircraft for maintaining readiness;
- $14.5 million for DoD's participation in the U.S. Government's effort in Sierra Leone;
- $23.9 million to finance the cost of base utilities due to the recent rate increases for natural gas and electricity; and
- $35.4 million for classified programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Army Reserve

For an additional amount for "Operation and Maintenance, Army Reserve," $20,500,000.

In order to maintain necessary levels of readiness, these funds would provide resources to finance operating needs for the Army Reserve. This request includes:

- $13.5 million to cover the cost of base utilities due to the recent rate increases for natural gas and electricity; and
- $7.0 million for base operating expenses from which funding was diverted earlier this year to cover training and operations costs.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Navy Reserve

For an additional amount for "Operation and Maintenance, Navy Reserve," $12,500,000.

In order to maintain necessary levels of readiness, these funds would provide resources to finance operating needs for the Navy Reserve. This request includes:

- $5.5 million to pay for the cost of base utilities due to the recent rate increases for natural gas and electricity; and
- $7.0 million for base support.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Marine Corps Reserve

For an additional amount for "Operation and Maintenance, Marine Corps Reserve," $1,900,000.

In order to maintain necessary levels of readiness, these funds would provide resources to finance operating needs for the Marine Corps Reserve. The proposal would provide $1.9 million to pay for the cost of base utilities due to the recent rate increases for natural gas and electricity.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Air Force Reserve

For an additional amount for "Operation and Maintenance, Air Force Reserve," $34,000,000.

In order to maintain necessary levels of readiness, these funds would provide resources to finance operating needs for the Air Force Reserve. This request includes:

- $14.0 million to fully fund the Air Force Reserve's flying hour program to meet training requirements necessary to maintain readiness;
- $6.0 million to pay for the cost of base utilities due to the recent rate increases for natural gas and electricity; and
- $14.0 million to recover cost increases in depot labor, materials, and overhead driven in part by increased demand for aircraft availability.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Army National Guard

For an additional amount for "Operation and Maintenance, Army National Guard," $42,900,000.

In order to maintain necessary levels of readiness, these funds would provide resources to finance operating needs for the Army National Guard. This request includes:

- $13.9 million to pay for the cost of base utilities due to the recent rate increases for natural gas and electricity;
- $10.0 million to pay for base operating expenses that are needed due to earlier reductions to training and operations costs; and
- $19.0 million for maintenance and repair at DoD facilities.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Operation and Maintenance, Air National Guard

For an additional amount for "Operation and Maintenance, Air National Guard," $119,300,000.

In order to maintain necessary levels of readiness, these funds would provide resources to finance operating needs for the Air National Guard. This request includes:

- $93.0 million to fully fund the Air National Guard's flying hour program to meet training requirements necessary to maintain readiness;
- $16.3 million to pay for the cost of base utilities due to the recent rate increases for natural gas and electricity; and
- $10.0 million to recover cost increases in depot labor, materials, and overhead.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Overseas Contingency Operations Transfer Fund

For an additional amount for "Overseas Contingency Operations Transfer Fund," $32,000,000, subject to the terms and conditions provided under this heading in P.L. 106-259.

Consistent with the total force concept, the Army is increasing its reliance on the Reserves to provide additional troops for contingency operations in Bosnia, Kosovo, and Southwest Asia. This helps reduce the personnel level of operations for active duty forces while giving the Reserves invaluable experience and further integrating the Active Force, Reserves, and National Guard. The Reserve and Guard manpower supporting contingency operations would increase from the projected level of 2,336 troops to 3,524 troops; an increase of 1,188. The incremental cost of this increase is $32 million, which covers base pay and allowances of Reserve Component activation.

DEPARTMENT OF DEFENSE

OPERATION AND MAINTENANCE

Defense Health Program

For an additional amount for "Defense Health Program," $1,453,400,000 for operation and maintenance: Provided, That such funds may be used to cover increases in TRICARE contract costs associated with the provision of health care services to eligible beneficiaries of all the uniformed services.

These funds would provide resources to provide health care for military personnel, retirees, and their families. Advances in medicine and expanded health care benefits have combined to increase by about 12 percent the cost of health care delivery to eligible active duty and retired military personnel and their families. Major costs included are attributable to the following elements of health care:

- $151.2 million for Military Treatment Facilities (MTFs), which have experienced increased costs in providing health care, and in contracting for medical services locally;

- $655.0 million for the TRICARE program, which has experienced increased costs due to unexpected utilization and benefit changes. These funds would also cover the cost of an agreement between the TRICARE contractors and DoD to settle all existing liabilities associated with contract change orders, terms of contracts, and changes in workload that result in significant increases in costs, including costs attributable to Coast Guard beneficiaries;

- $131.3 million for Other Private Sector Care, which has experienced increases in the cost of the mail-order pharmacy program and contracted care for active duty personnel outside the MTFs;

- $489.5 million for newly-legislated benefits for FY 2001, which include full medical coverage regardless of duty assignment, lower out-of-pocket costs for co-payments, catastrophic treatment and related travel expenses, chiropractic care for active duty members, physical exams for school-aged children, and the pharmacy benefit for Medicare-eligible military retirees and dependents; and

- $26.4 million for covering the cost of base utilities due to rate increases for natural gas and electricity.

DEPARTMENT OF DEFENSE

PROCUREMENT

Other Procurement, Army

For an additional amount for "Other Procurement, Army," $3,000,000.

These funds would provide resources to finance the California electrical demand reduction program designed to ease California's energy demands. This program is intended to reduce peak energy demand on military bases in California by 15 percent by the end of this calendar year. To do this, DoD will need to procure generators and other equipment that would enable bases to reduce demand on California power supply during peak demand times.

DEPARTMENT OF DEFENSE

PROCUREMENT

Shipbuilding and Conversion, Navy

For an additional amount for "Shipbuilding and Conversion, Navy," $222,000,000, to remain available until September 30, 2001: Provided, That upon enactment of this Act, the Secretary of Defense shall transfer such funds to the following appropriations in the amount specified: Provided further, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred:

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/01":
Carrier Replacement Program, $84,000,000;
Under the heading, "Shipbuilding and Conversion, Navy, 1996/01":
DDG-51 Destroyer Program, $41,000,000;
LPD-17 Amphibious Transport Dock Ship Program, $65,000,000;
Under the heading, "Shipbuilding and Conversion, Navy, 1998/01":
NSSN Program, $32,000,000.

These funds would provide resources to finance cost increases in shipbuilding programs begun in FY 2000 and prior years. The cost increases are due to strike settlements; increased labor rates; change orders; higher prices for equipment; and engineering design difficulties.

The $222.0 million is distributed as follows:

- $84.0 million for the CVN-76 Nimitz Class Nuclear Aircraft Carrier;
- $41.0 million for the DDG-83 and DDG-84 Arleigh Burke Class Destroyers;
- $65.0 million for the LPD-17 San Antonio Class Amphibious Ship; and
- $32.0 million for the SSN-774 Virginia Class Attack Submarine.

Additional funds would be required in future years for the balance of the cost increases.

DEPARTMENT OF DEFENSE

PROCUREMENT

Aircraft Procurement, Air Force

For an additional amount for "Aircraft Procurement, Air Force," $84,000,000.

The request includes:

- $49.0 million for C-17 program costs as required under the contract agreement; and
- $35.0 million for classified programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

PROCUREMENT

Procurement of Ammunition, Air Force

For an additional amount for "Procurement of Ammunition, Air Force," $73,000,000.

These funds would provide resources to finance the purchase of various training munitions (such as rockets, flares, and practice rounds).

DEPARTMENT OF DEFENSE

PROCUREMENT

Other Procurement, Air Force

For an additional amount for "Other Procurement, Air Force," $162,900,000.

Most of this request ($161.7 million) is for classified programs, details of which will be provided separately.

The remaining $1.2 million would provide resources to finance the California electrical demand reduction program designed to ease California's energy demands. This program is intended to reduce peak energy demand on military bases in California by 15 percent by the end of this calendar year. To do this, DoD will need to procure generators and other equipment that would enable bases to reduce demand on California's power supply during peak demand times.

DEPARTMENT OF DEFENSE

PROCUREMENT

Procurement, Defense-wide

For an additional amount for "Procurement, Defense-wide," $5,800,000.

The requested $5.8 million is for a classified program, details of which will be provided separately.

DEPARTMENT OF DEFENSE

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Research, Development, Test and Evaluation, Navy

For an additional amount for "Research, Development, Test and Evaluation, Navy," $108,000,000.

These funds would provide resources to finance:

- $80.0 million for initial redesign, testing, and test aircraft acquisition for the Navy MV-22 and the Air Force CV-22 tilt-rotor aircraft programs. These activities would address deficiencies in the V-22 that a Blue Ribbon panel identified during its review of the program; and

- $28.0 million for classified Research and Development programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Research, Development, Test and Evaluation, Air Force

For an additional amount for "Research, Development, Test and Evaluation, Air Force," $247,500,000.

These funds would provide:

- $153.0 million to meet Airborne Laser funding requirements and to substantially decrease program risk in order to maintain a lethal demonstration currently planned for FY 2003;

- $48.0 million for a Heavy Lift Vehicle (HLV) demonstration launch for the Evolved Expendable Launch Vehicle (EELV) program. The Congress approved this program as part of DoD's FY 2000 omnibus reprogramming request. This demonstration is essential to prove out heavy launch vehicle operation. The total cost of this demonstration effort is $141 million from FY 2000 to FY 2003;

- $25.0 million for the development of the Block 10 version of the Global Hawk unmanned aerial vehicle. These funds would include communication system open architecture capabilities, power upgrades, survivability suites, and other endurance improvements;

- $20.0 million for the development of a 250-pound precision guided munition. This munition would increase the weapons capacity on fighter and bomber aircraft; and

- $1.5 million for classified programs, details of which will be provided separately.

DEPARTMENT OF DEFENSE

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Research, Development, Test and Evaluation, Defense-wide

For an additional amount for "Research, Development, Test and Evaluation, Defense-wide," $85,000,000.

These funds would provide resources to finance:

- $70.0 million for classified programs, details of which will be provided separately; and

- $15.0 million for Joint Experimentation. The Statement of Managers accompanying the FY 2001 National Defense Authorization Act directed DoD to carry out a joint field experiment in FY 2002 (Millennium Challenge 2002 (MC02)) and ensure that DoD prepares for this experiment in FY 2001. Until DoD fields next-generation simulations (e.g., the Joint Simulation System and the Joint Warfare System), it must conduct joint experimentations with different and dissimilar systems. In using dissimilar systems, DoD faces several shortcomings, including lack of compatibility and poor interfaces to command and control devices and sensors. The additional $15 million would support efforts in FY 2001 to solve these problems, including: improving databases; improving interfaces between different systems; enhancing models and simulation; and providing communications support.

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

Military Construction, Air Force

For an additional amount for "Military Construction, Air Force," $18,000,000: Provided, That notwithstanding any other provision of law, such amount may be used by the Secretary of the Air Force to carry out a military construction and renovation project at the Masirah Island Airfield, Oman.

The U.S. Government recently completed negotiations with the Government of Oman on the United States-Oman Access Agreement. Under the agreement, the United States would use the Omani Masirah Island Airfield. However, this airfield requires significant upgrades to the pavement, including runways and taxiways and improvements in drainage and lighting before the United States can safely use the airfield. The Commander of U.S. Central Command has determined that this airfield is vital to U.S. national security interests and is an integral component of DoD's power projection capabilities in the region. The damaged airfield presents operational hazards to U.S. aircraft because aircraft engines can take in surface debris from loose pavement, thus damaging the engines and requiring costly repairs. In addition, the poor drainage and insufficient lighting impairs the ability of U.S. aircraft to land safely. This proposal requests funding and project authorization for this important improvement.

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

Base Realignment and Closure Account, Part IV

For an additional amount for deposit into the "Department of Defense Base Realignment and Closure Account 1990," $9,000,000, to remain available until expended.

These funds would provide resources to finance environmental demands (e.g., clean-up systems, operating systems, site monitoring, etc.) The additional funds would maintain the Air Force commitment to legally enforce agreements with communities and regulators to meet reuse and property transfers. The clean-up effort would reduce known risks to human health and to the environment, respond to legal requirements, and allow the Air Force to continue to meet its responsibilities. Failure to fund the increase would preclude timely clean-up of affected areas, delay reuse and property transfers as agreed upon with communities, and place the Air Force at risk of legal action, including fines and penalties, for failing to comply with environmental clean-up laws and regulations.

DEPARTMENT OF DEFENSE

FAMILY HOUSING

Family Housing, Army

For an additional amount for "Family Housing, Army," $27,200,000 for operation and maintenance.

These funds would provide resources to finance the cost of military family housing utilities due to the recent rate increases for natural gas and electricity during fiscal year 2001.

DEPARTMENT OF DEFENSE

FAMILY HOUSING

Family Housing, Navy and Marine Corps

For an additional amount for "Family Housing, Navy and Marine Corps," $20,300,000 for operation and maintenance.

These funds would provide resources to finance the cost of military family housing utilities due to the recent rate increases for natural gas and electricity during fiscal year 2001.

DEPARTMENT OF DEFENSE

FAMILY HOUSING

Family Housing, Air Force

For an additional amount for "Family Housing, Air Force," $18,000,000 for operation and maintenance.

- $16.7 million would finance the cost of military family housing utilities due to the recent rate increases for natural gas and electricity during fiscal year 2001.
- $1.3 million would fund DoD's initiative to reduce peak demand for electricity in Air Force family housing units in California by 15 percent.

DEPARTMENT OF DEFENSE

REVOLVING AND MANAGEMENT FUNDS

Defense Working Capital Funds

For an additional amount for "Defense Working Capital Funds," $178,400,000, to remain available until expended.

These funds would provide resources to finance the cost of base-level utilities driven by rate increases for natural gas and electricity. While DoD is taking action to reduce energy consumption, if additional funds are not provided, substantial losses threatening the solvency of the Working Capital Funds would result.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC. ___ . Fuel transferred by the Defense Energy Supply Center to the Department of the Interior for use at Midway Island during fiscal year 2000 shall be deemed for all purposes to have been transferred on a nonreimbursable basis.

This provision would provide that the Department of the Interior would not be required to reimburse the Defense Energy Supply Center (DESC) for any fuel DESC transferred to the Department of the Interior for use at Midway Island during FY 2000.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC. ___ . Funds appropriated by this Act or made available by the transfer of funds in this Act for intelligence activities are deemed to be specifically authorized by the Congress for the purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

This section provides authorization for intelligence activities in this Act.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC. ___ . In addition to the amount appropriated in section 308 of Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of Public Law 106-554 (114 Stat. 2763A-181 and 182), $44,000,000 is hereby appropriated for "Operation and Maintenance, Navy," to remain available until expended: Provided, That such amount, and the amount previously appropriated in section 308, shall be for costs associated with the stabilization, return, refitting, necessary force protection upgrades, and repair of the U.S.S. COLE, including any costs previously incurred for such purposes: Provided further, That the Secretary of Defense may transfer these funds to appropriations accounts for procurement: Provided further, That funds so transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: Provided further, That the transfer authority provided herein is in addition to any other transfer authority available to the Department of Defense.

This provision is required to increase the amount of funds appropriated for the repair of the U.S.S. COLE and to clarify that, in addition to repair costs, the funds may be used for costs associated with the stabilization, return, refitting, and necessary force protection upgrades of the U.S.S. COLE, including costs for such purposes as may already have been incurred.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC. ___ . Section 8096 of the Department of Defense Appropriations Act, 2001, is amended –

(1) by striking "$65,200,000" and inserting "$40,100,000",

(2) by inserting "and" before "$36,900,000", and

(3) by striking ", and $25,100,000 shall be available from 'Aircraft Procurement, Air Force' ".

The Air Force included funds in its FY 2001 Budget to upgrade and maintain 76 B-52s. Section 8096 of the Defense Appropriations Act of 2001 provided funds to maintain and upgrade 18 reserve B-52 aircraft. This provision is required because planned upgrades to these 18 excess aircraft, costing $25.1 million, are not necessary in FY 2001 to keep them up to fleet standards.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC. ___ . Of the funds made available under the heading, "Aircraft Procurement, Navy" in P.L. 106-259, $235,000,000 is hereby canceled.

This amount, part of the funding originally appropriated to procure 16 Navy MV-22 tilt-rotor aircraft in FY 2001, is available because DoD is considering restructuring the program in light of several recently-identified problems. The restructured program would require slowing production and increasing research and development to fix demonstrated problems.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC. ___ . Of the funds made available under the heading, "Aircraft Procurement, Air Force" in P.L. 106-259, $270,000,000 is hereby canceled.

The amount includes $240.0 million originally appropriated to procure four production-model CV-22 tilt-rotor aircraft for the Air Force in FY 2001. The funds are available because DoD is considering restructuring the program in light of several recently-identified problems. The restructured program would require slowing production until an enhanced research and development effort fixes the identified problems. An additional $30.0 million is available from the B-52 program because planned modifications to 18 excess aircraft, costing $25.1 million, are not necessary this year to keep them up to fleet standards. In addition, $4.9 million in other B-52 modifications can be delayed without negatively affecting the ability of the B-52 fleet to fulfill its mission.

DEPARTMENT OF DEFENSE

GENERAL PROVISIONS

SEC.___. Except as otherwise specifically provided in this Act, amounts provided to the Department of Defense under each of the headings in this Act shall be available for the same time period as the amounts appropriated under each such heading in Public Law 106-259 and Public Law 106-246.

DEPARTMENT OF ENERGY

NATIONAL NUCLEAR SECURITY ADMINISTRATION

Weapons Activities

For an additional amount for "Weapons Activities," $140,000,000, to remain available until expended.

The FY 2001 Energy and Water Development Appropriations Act (P.L. 106-377) provided $5.02 billion for Weapons Activities, which includes activities to assure the safety and operational readiness of the nuclear weapons stockpile. Of the requested additional $140 million for these activities, $100 million would be used for refurbishment and the life extension work in the Directed Stockpile activities and $40 million would be used for plutonium pit manufacturing, certification, and related Campaign activities.

DEPARTMENT OF ENERGY

ENVIRONMENTAL AND OTHER DEFENSE RELATED ACTIVITIES

Defense Environmental Restoration and Waste Management

For an additional amount for "Defense Environmental Restoration and Waste Management," $100,000,000, to remain available until expended.

The FY 2001 Energy and Water Development Appropriations Act (P.L. 106-377) provided $4.96 billion for Defense Environmental Restoration and Waste Management to clean up the legacy of waste and contamination from decades of nuclear weapons production. The additional funding requested would support: accelerated stabilization of at-risk nuclear material at sites such as Savannah River, as recommended by the Defense Nuclear Facilities Safety Board; construction of the Hanford Waste Treatment and Immobilization Plant; disposal of transuranic waste at the Waste Isolation Pilot Plant; remediation of the Pantex site; and removal of spent nuclear fuel along the Columbia River.

DEPARTMENT OF ENERGY

ENVIRONMENTAL AND OTHER DEFENSE RELATED ACTIVITIES

Defense Facilities Closure Projects

For an additional amount for "Defense Facilities Closure Projects," $21,000,000, to remain available until expended.

The FY 2001 Energy and Water Development Appropriations Act (P.L. 106-377) provided $1.08 billion for Defense Facilities Closure Projects in support of the Department of Energy's goal to clean up by 2006 the sites funded in this account. The requested additional funding would support accelerated completion of the Fernald and Miamisburg environmental management projects in Ohio, consistent with the 2006 closure goal.

DEPARTMENT OF ENERGY

ENVIRONMENTAL AND OTHER DEFENSE RELATED ACTIVITIES

Defense Environmental Management Privatization

For an additional amount for "Defense Environmental Management Privatization," $29,600,000, to remain available until expended.

The FY 2001 Energy and Water Development Appropriations Act (P.L. 106-377) provided $65 million for Defense Environmental Management Privatization to fund capital projects required to clean up the legacy of waste and contamination from nuclear weapons production. The requested additional funding would accelerate construction of the Advanced Mixed Waste Treatment Project in support of legally enforceable deadlines for shipping waste out of Idaho.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

Non-Defense Environmental Management

For an additional amount for "Non-Defense Environmental Management," $11,400,000, to remain available until expended.

The FY 2001 Energy and Water Development Appropriations Act (P.L. 106-377) provided $277 million for Non-Defense Environmental Management to clean up the legacy of waste and contamination from decades of energy research. Of the requested additional funding, $10 million would continue the cleanup of the Brookhaven National Laboratory in New York, including disposal of on-site waste, remediation of contaminated groundwater and soil, and decontamination and decommissioning of the Brookhaven Graphite Research Reactor. The remaining $1.4 million would provide resources to study remediation options for the former Atlas Corporation's uranium mill tailings site, near Moab, Utah, as authorized by the FY 2001 National Defense Authorization Act (P.L. 106-398).

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

Uranium Facilities Maintenance and Remediation

For an additional amount for "Uranium Facilities Maintenance and Remediation," $18,000,000, to be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, to remain available until expended.

The FY 2001 Energy and Water Development Appropriations Act (P.L. 106-377) provided $393 million for Uranium Facilities Maintenance and Remediation and consolidated uranium activities at the Paducah, KY, Portsmouth, OH, and East Tennessee Technology Park gaseous diffusion plants into this account. The additional funding requested would continue progress in addressing recently identified environmental, safety, and health issues at the Paducah plant.

DEPARTMENT OF HEALTH AND HUMAN SERVICE

ADMINISTRATION FOR CHILDREN AND FAMILIES

Low Income Home Energy Assistance Program

For an additional amount for making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, $150,000,000: Provided, That these funds are for the home energy assistance needs of one or more States, as authorized by section 2604(e) of that Act and notwithstanding the designation requirement of section 2602(e) of such Act.

At the present time, no Low Income Home Energy Assistance Program (LIHEAP) funds are available in the event of extreme summer heat. The FY 2001 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act (P.L. 106-554) provided $300 million in contingent emergency funds for LIHEAP, which were released in their entirety on December 30, 2000, to address high heating fuel prices. This supplemental request for $150 million would serve as a reserve to provide home energy assistance to low-income households in the event of an extreme summer heat wave or other energy-related problem.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

FHA--Mutual Mortgage Insurance Program Account

Of the amounts available for administrative expenses and administrative contract expenses under the headings, "FHA--Mutual Mortgage Insurance Program Account," "FHA--General and Special Risk Program Account," and "Salaries and Expenses" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P. L. 106-377, not to exceed $8,000,000 is available to liquidate deficiencies incurred in fiscal year 2000 in the "FHA--Mutual Mortgage Insurance Program Account."

The proposal would allow the Department of Housing and Urban Development (HUD) to use FY 2001 resources for a corrective action in response to a probable FY 2000 violation of the Anti-Deficiency Act which occurred during the prior HUD administration. HUD estimates the deficiency would total $6.9 million plus interest. The proposed language would not provide any additional resources to correct the deficiency, but would allow HUD flexibility to pay the obligation and accrued interest using resources appropriated to both FHA administrative accounts and to the HUD general salaries and expense account.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

FHA--General and Special Risk Program Account

For an additional amount for "FHA--General and Special Risk Program Account" for the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), $40,000,000, to remain available until expended.

This proposal would provide an additional $40 million in credit subsidy appropriations. In conjunction with a premium increase for apartment development loans, this additional funding would allow FHA to resume guarantees of all multi-family loans meeting underwriting criteria through the remainder of this fiscal year.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Operation of Indian Programs

For an additional amount for "Operation of Indian Programs," $50,000,000, to remain available until September 30, 2002, for electric power operations at the San Carlos Irrigation Project, of which such amounts as necessary may be transferred to other appropriations accounts for repayment of advances previously made for such power operations.

This supplemental request would provide $50 million to allow for the repayment by the Bureau of Indian Affairs to the land acquisition accounts of the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service.

In May 2001, the Secretary of the Interior used her transfer authority in Section 102 of the FY 2001 Interior and Related Agencies Appropriations Act (P.L. 106-291) to provide a total of $41 million to prevent the shutdown of the San Carlos Irrigation Project (SCIP) electric power operations in Arizona. The transfers are expected to cover the cost of power purchases for May through the end of August. However, the supplemental request includes additional funds in case the cost of summer power exceeds current projections. The need for this funding is due to: SCIP's regional linkage to the California power market and low western reservoirs, which contribute to high electricity prices; the lack of alternative power providers in SCIP's service area, which leaves residents, especially diabetics on dialysis, vulnerable to illness or death should power be cut off; and the inability of SCIP to obtain sufficient funding to purchase power by other means. The potential loss of power would have a disastrous effect on the economy and human population of south-central Arizona. The Department of the Interior is drafting legislation to authorize the divestiture of SCIP assets and the Administration hopes to proceed expeditiously.

DEPARTMENT OF TRANSPORTATION

COAST GUARD

Operating Expenses

For an additional amount for "Operating Expenses," $92,000,000.

This supplemental request would fund additional expenses related to increases in: fuel costs ($37 million); pay and health care benefits ($31 million) as a result of the FY 2001 National Defense Authorization Act; shortages in aviation spare parts ($20 million); and the costs of deploying Coast Guard Port Security units to the Middle East ($4 million). In addition, $6 million necessary for Coast Guard's share of healthcare contract price adjustments, has been requested in an accompanying proposal for the Department of Defense.

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

Miscellaneous Highway Trust Funds

Of the funds provided in section 378 of the Department of Transportation and Related Agencies Appropriations Act, 2001, Public Law 106-346, for construction of and improvements to I-49 in Arkansas, up to $93,000,000 is hereby canceled.

This proposal would cancel funds appropriated in FY 2001 for the construction of, and improvements to, I-49 in Arkansas. If improvements to I-49 are warranted, the State could use its Federal-aid highway formula allocation for this project.

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

Salaries and Expenses

For an additional amount for "Salaries and Expenses" to reimburse any agency of the Department of the Treasury or other Federal agency for costs of providing operational and perimeter security at the 2002 Winter Olympics in Salt Lake City, Utah, $60,601,000, to remain available until September 30, 2002.

The additional funds requested would be used to reimburse Department of the Treasury bureaus and other Federal agencies providing operational and perimeter security support at the 2002 Winter Olympics in Salt Lake City. The additional funding is for overtime, travel and other related costs, lodging, and equipment. The United States Secret Service, under Presidential Decision Directive 62, has authority to design and implement security plans at major events designated as National Special Security Events, as in the case with the Olympics.

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

Tax Rebate Implementation

For costs incurred by the Department of the Treasury to implement the "Economic Growth and Tax Relief Reconciliation Act of 2001", $115,776,000, to remain available until September 30, 2002: Provided, That these funds shall be transferred to accounts, and in such amounts, as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations, including reimbursement for related costs incurred prior to the enactment of the Act: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in Public Law 106-554.

This supplemental request would provide funds to implement a tax rebate program passed by Congress on May 26, 2001. The funding requested would support the purchase of check and other related paper supplies, as well as postage and other costs associated with processing and mailing the tax rebate checks to taxpayers. It would also support specific advance mailings setting out the schedule of tax rebate payments to taxpayers, as well as tax rebate related customer service and account reconciliation activities. This request would also reimburse the Financial Management Service and the Department's Systems and Capital Investment Programs account for expenses already incurred in preparation for the tax rebate program.

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

Compensation and Pensions

For an additional amount for "Compensation and Pensions," $589,413,000, to remain available until expended.

This request would increase the statutory limit of $22,766,276,000 by $589,413,000 to assure payment to veterans and their families of mandatory disability compensation and pension benefits enacted in law after the 2001 Appropriations Act. The entire amount of the increase of this entitlement was included in the FY 2002 Budget and baseline calculations for the current year as an item to be transmitted to the Congress later. Enactment of this request would have no pay-as-you-go effects. Absent this adjustment, there may be insufficient funds to pay all of these mandatory benefits for the remainder of the current fiscal year.

Of the total request, $523,000,000 would provide the 3.5 percent benefit increase for veterans with service-connected disabilities and survivors of certain disabled veterans required in the Veterans Compensation Cost-of-Living Adjustment Act of 2000 (P.L. 106-413); $12,000,000 would be provided to meet the additional benefit costs of program enhancements afforded under the Veterans Benefits and Health Care Improvement Act of 2000 (P.L. 106-419); $17,000,000 would provide for the costs arising from the addition of diabetes to the list of diseases covered in the Agent Orange Act of 1991 (P.L. 102-4); and $38,000,000 would provide for rate adjustments authorized in the Omnibus Consolidated Appropriations Act, 2000 (P.L. 106-554) due to the Consumer Price Index computation error of 1999.

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

Readjustment Benefits

For an additional amount for "Readjustment Benefits," $347,000,000, to remain available until expended.

This request would increase the statutory limit of $1,634,000,000 by $347,000,000 to assure payment of mandatory increases in Montgomery GI Bill (MGIB) and related benefits enacted in law after the 2001 Appropriations Act. The entire amount of the increase in this mandatory entitlement program was included in the FY 2002 Budget and baseline calculations for the current year as an item to be transmitted later. Enactment of this request would have no pay-as-you-go effects. Absent this adjustment, there may be insufficient funds to pay all of these mandatory benefits for the remainder of the current fiscal year.

The Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (P.L. 106-398) and the Veterans Benefits and Health Care Improvement Act of 2000 (P.L. 106-419) expanded educational and related assistance programs for active-duty personnel, veterans, and their families. The additional funds now requested would be made available to assure payment of: a 21-percent increase in basic full-time education monthly benefit rates under MGIB from $552 to $650, which became effective November 1, 2000; an increase in monthly rates for survivors and dependents education assistance from $485 to $588, which became effective November 1, 2000; and a change allowing up to $2,000 per person for licensing and certification testing under MGIB, which became effective March 1, 2001.

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

General Operating Expenses

Of the amounts available in the Medical Care account, not more than $19,000,000 may be transferred not later than September 30, 2001, to the General Operating Expenses account, for the administrative expenses of processing compensation and pension claims, of which up to $5,000,000 may be used for associated travel expenses.

This proposal would permit the Department of Veterans Affairs to transfer not more than $19 million from Medical Care to General Operating Expenses (GOE) to provide funding for additional operating expenses for claims processing in the Veterans Benefits Administration. Due to enactment of the Veterans Claims Assistance Act of 2000 (P.L. 106-475) and the addition of diabetes to the list of diseases associated with exposure to certain herbicide agents, as provided by the Agent Orange Act of 1991 (P.L. 102-4), more than 450,000 claims would be added to the processing workload. Pending workloads and processing timeliness would degrade to unacceptable levels without the ability to hire personnel in 2001 to process this additional workload. These additional funds, together with $7 million of reprogrammed funds within GOE, would allow approximately 400 personnel to be hired and trained.

CORPS OF ENGINEERS - CIVIL

Flood Control and Coastal Emergencies

For an additional amount for "Flood Control and Coastal Emergencies," $50,000,000, as authorized by Section 5 of the Flood Control Act of August 18, 1941, as amended, to remain available until expended.

This request would provide additional funds to repair eligible Federal and non-Federal facilities damaged by natural disasters. Available funds are likely not sufficient to cover the cost of the Army Corps of Engineers' disaster preparedness and response work in FY 2001.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Economic Support Fund

Of the amounts provided under the heading, "Economic Support Fund," in the Foreign Operations, Export Financing, and Related Appropriations Act, 2000, as enacted into law by section 1000(a)(2) of Public Law 106-113, $20,000,000 is hereby canceled.

This proposal would reduce FY 2000 unobligated balances available in the Economic Support Fund by $20 million. This reduction will not impact current operations.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Human Space Flight

Notwithstanding the proviso under the heading, "Human Space Flight," in Public Law 106-74, $40,000,000 of the amount provided therein shall be available for preparations necessary to carry out future research supporting life and micro-gravity science and applications.

This proposal would make additional funds available for the provision of research carriers for Shuttle mission STS-107, and to support Space Station research. The FY 2000 Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act (P.L. 106-74) stipulated that $40 million of the $5.5 billion enacted for Human Space Flight would be "available to the space shuttle program only for preparations necessary to carry out a life and micro-gravity science mission, to be flown between STS-107 and December 2001." At the time of the enactment of P.L. 106-74, in October 1999, the STS-107 mission was scheduled for December 2000. The follow-up mission to STS-107 (Research mission-2, commonly referred to as "R-2") was later scheduled for October 2001. The FY 2000 funds were intended for the R-2 mission. However, the delays in completing the overhaul of the Shuttle orbiter Columbia, which is to be used for both research missions, coupled with the need to conduct the Hubble Telescope servicing mission as the first mission for the newly overhauled Columbia, caused a substantial delay in the STS-107 and the R-2 missions.

The STS-107 mission is now scheduled for May 2002, and additional costs due to the delay are being incurred by Spacehab, the contractor who provides the research carriers. This proposal would broaden the authorized use of the R-2 funds, allowing their use on other research activities. NASA proposes to use $17 million of these funds to meet the needs of the STS-107 mission, and make $15 million available for Space Station research in FY 2001. Of the $40 million appropriated specifically for the R-2 mission preparations, $8 million has been obligated for that purpose.

Any additional funding required in FY 2002 to complete preparations for STS-107 would be accomplished by transferring funds from Space Station research, which would essentially offset the $15 million provided in FY 2001 by this proposal. NASA intends to consult with the Congress on options for accomplishing the research planned for the R-2 mission in the broader context of the future funding required to support International Space Station research plans.

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

Salaries and Expenses

For an additional amount for "Salaries and Expenses" of the House of Representatives, $61,662,000, as follows:

For an additional amount for "Members' Representation Allowances Including Members' Clerk Hire, Official Expenses of Members, and Official Mail," "Committee Employees Standing Committees, Special and Select," "Committee on Appropriations," and "Allowances and Expenses," $47,214,000, with any allocations to such accounts subject to approval by the Committee on Appropriations of the House of Representatives: Provided, That $26,519,000 of such amount shall remain available until December 31, 2002.

For an additional amount for "Salaries, Officers and Employees" for compensation and expenses of officers and employees, as authorized by law, $14,448,000, including: for salaries and expenses of the Office of the Clerk, $3,150,000, of which $2,500,000 shall remain available until expended; and for salaries and expenses of the Office of the Chief Administrative Officer, $11,298,000, including $11,181,000 for salaries, expenses, and temporary personal services of the House Information Resources: Provided, That of the amount provided for the House Information Resources, $11,085,000 shall be for net expenses of telecommunications, of which $8,047,000 shall remain available until expended.

This supplemental request would provide $62 million to ensure the continuing operation of the House of Representatives. The Members Representational Allowance and the Committee Employees supplemental request is due to increases in authorizations. This would support the Members and constituent's needs. The Allowances and Expenses' request is to support the Government contributions for health, retirement, Social Security, and other applicable employee benefits for the House staff as a result of the change in Member and Committee authorizations. The Salaries, Officers and Employee's request is a result of technology improvements needed to support the infrastructure of House operations and the Members.

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

Salaries and Expenses

For an additional amount for "Salaries and Expenses" of the House of Representatives, $61,662,000, as follows:

For an additional amount for "Members' Representation Allowances Including Members' Clerk Hire, Official Expenses of Members, and Official Mail," "Committee Employees Standing Committees, Special and Select," and, "Committee on Appropriations Allowances and Expenses," $47,214,000, with any allocations to such accounts subject to approval by the Committee on Appropriations of the House of Representatives: Provided, That $26,519,000 of such amount shall remain available until December 31, 2002.

For an additional amount for "Committee on Appropriations Salaries, Officers and Employees" for compensation and expenses of officers and employees, as authorized by law, $14,448,000, including: for salaries and expenses of the Office of the Clerk, $3,150,000, of which $2,500,000 shall remain available until expended; and for salaries and expenses of the Office of the Chief Administrative Officer, $11,298,000, including $11,181,000 for salaries, expenses, and temporary personal services of the House Information Resources: Provided, That of the amount provided for the House Information Resources, $11,085,000 shall be for net expenses of telecommunications, of which $8,047,000 shall remain available until expended.

This supplemental request would provide $62 million to ensure the continuing operation of the House of Representatives. The Members Representational Allowance and the Committee Employees supplemental request is due to increases in authorizations. This would support the Members and constituent's needs. The Allowances and Expenses' request is to support the Government contributions for health, retirement, Social Security, and other applicable employee benefits for the House staff as a result of the change in Member and Committee authorizations. The Salaries, Officers and Employee's request is a result of technology improvements needed to support the infrastructure of House operations and the Members.

LEGISLATIVE BRANCH

OFFICE OF COMPLIANCE

Salaries and Expenses

For an additional amount for "Salaries and Expenses," $35,000.

A net increase of $35,000 is requested, which is comprised of an increase of $45,000 for provision of mediation services, and decreases of $8,000 in supplies and $2,000 in rent, communication and utilities. The requirement for additional funding is due to an unforeseen controversy involving more than 250 covered employees, each of whom is entitled to counseling and mediation services under section 403 of the Congressional Accountability Act (2 U.S.C. 1385).

LEGISLATIVE BRANCH

GOVERNMENT PRINTING OFFICE

Congressional Printing and Binding

For an additional amount for "Congressional Printing and Binding," $9,900,000.

This supplemental request would provide $9.9 million to fund a shortfall within the Congressional Printing and Binding appropriation based on work requirements. This appropriation provides funding for printing and associated information products and services ordered by the Congress from the Government Printing Office.

LEGISLATIVE BRANCH

GOVERNMENT PRINTING OFFICE

Government Printing Office Revolving Fund

For payment to the "Government Printing Office Revolving Fund," $6,000,000, to remain available until expended, for air-conditioning and lighting systems.

This supplemental request would provide $6 million to cover the cost of improvements needed to the Government Printing Office's air-conditioning and lighting systems. The chillers used in the air-conditioning system are in critical need of replacement and are at a high risk of failure. The chillers have outlived their useful lives, are energy inefficient, and pose a threat to the environment through the use of chlorofluorocarbons.