



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

THE DIRECTOR

March 9, 2010

The Honorable Nancy Pelosi
Speaker of the House of
Representatives
Washington, DC 20515

Dear Madam Speaker:

On February 12, 2010, the Administration submitted a request to amend the FY 2010 supplemental funding in the FY 2011 Budget. The amendment included \$1.5 billion for FEMA's Disaster Relief Fund to supplement the \$3.6 billion requested for FY 2010 in the FY 2011 Budget. I am writing to you to reiterate the urgency of the funding for domestic disasters through FEMA's Disaster Relief Fund (DRF) and ask that it be declared an emergency. The DRF is essential to keeping the Nation prepared: providing immediate recovery assistance across the country for situations ranging from earthquakes, hurricanes, and terrorist incidents to more routine emergencies like the snowstorms that recently struck the East Coast.

We estimate that the DRF will be exhausted this month if the Congress fails to act. The crucial role of the DRF has been exemplified in recent weeks, with a total of eight disaster declarations in February alone for eight different states—all tied to recent severe snowstorms. By the end of March, we are projecting a \$137 million DRF funding shortfall. That shortfall is estimated to increase to \$1.5 billion by the end of April, and to more than \$3.2 billion by the end of June. If supplemental funds are not approved promptly, communities and individuals eligible for Federal assistance will not be reimbursed, and State and local governments forced to bear the full cost of these events until the DRF is replenished could limit their disaster relief responses. Imposing additional costs on States and localities is particularly problematic given the precarious fiscal situation that they face in the current economy.

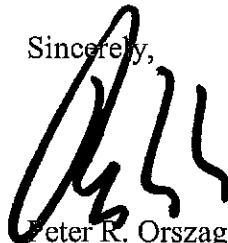
The requested funding for the DRF would provide recovery assistance across the country. The 59 disasters and seven emergencies declared in 2009 spanned 33 States and territories, and as of March 1, 2010, another eighteen disasters and three emergencies had been declared in seven different States or territories.

The costs of the Gulf Coast's recovery from hurricanes Katrina and Rita also continue to contribute to current funding needs. The supplemental request includes the estimated costs of arbitration claims (including claims by the Charity Hospital in New Orleans that were recently the subject of an arbitral award); Katrina-related school settlements to account for the destruction or damage of virtually all of New Orleans's educational facilities in the storm; and other public assistance and hazard mitigation projects that remain unfinished, including the repair or replacement of storm-damaged roads, police and fire stations, public buildings, and other

infrastructure. As we approach the fifth anniversary of Katrina, it is critical to bring to closure these Federal contributions to Gulf Coast recovery.

Thank you very much for your prompt consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Orszag', written over the word 'Sincerely,'.

Peter R. Orszag
Director

Identical letter sent to The Honorable Harry Reid