



THE DIRECTOR

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

June 6, 2003

The Honorable Richard B. Cheney  
President of the Senate  
Washington, D.C. 20515

Dear Mr. President:

Enclosed is the appropriations report containing OMB cost estimates for P.L. 108-11, the 2003 Emergency Wartime Supplemental Appropriations Act, and detail on estimating differences with CBO. The OMB estimates were calculated in a manner consistent with scoring guidance provided in the Omnibus Budget Reconciliation Act of 1990.

Although key provisions of the Budget Enforcement Act of 1990, as amended, expired on September 30, 2002, OMB will continue to release reports to provide official and public notification of OMB scoring of enacted appropriations.

Sincerely,

A handwritten signature in black ink that reads "ME Daniels Jr". The signature is written in a cursive, slightly slanted style.

Mitchell E. Daniels, Jr.

Enclosure

Identical Letter Sent to The Honorable J. Dennis Hastert



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Speaker of the House of  
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Washington, D.C. 20515

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**TABLE 1.**  
**CBO ESTIMATES COMPARED TO OMB ESTIMATES**  
**P.L. 108-11, EMERGENCY WARTIME SUPPLEMENTAL APPROPRIATIONS ACT, 2003**  
(in millions of dollars)

|  | ENACTED SPENDING |               |            |               |
|--|------------------|---------------|------------|---------------|
|  | FY 2003          |               | FY 2004    |               |
|  | BA               | OL            | BA         | OL            |
| <b><u>OTHER DISCRETIONARY APPROPRIATIONS</u></b>   |                  |               |            |               |
| <b>CBO ESTIMATE, WARTIME-RELATED SUPPLEMENTAL APPROPRIATIONS<sup>1</sup>.....</b>  | <b>79,190</b>    | <b>42,024</b> | <b>215</b> | <b>27,349</b> |
| <b><u>Scorekeeping Differences:</u></b>  |                  |               |            |               |
| <b>Department of Defense:</b>  |                  |               |            |               |
| Military Construction, Army.....   | -2               | -1            | ---        | -1            |
| Both OMB and CBO assume the revenues collected by the Secretary of the Army from the State of Utah will equal the amount spent for extending the runway at Michael Army Airfield. However, OMB shows the revenues as an offset to budget authority and outlays in this account. CBO considers these revenues to be governmental receipts that are not offsetting to the account and are instead included in their revenue estimates.               |                  |               |            |               |
| <b>Department of Homeland Security:</b>  |                  |               |            |               |
| Transportation Security Administration.....  | 135              | 29            | -80        | 26            |
| OMB assumes the total cost in foregone fees will occur in FY 2003. CBO assumes the cost of the foregone fees will carry-over into the first month of FY 2004. In addition, CBO assumes that in the first year of the extension of terrorism insurance, fees income will exceed claims payments, and scores - \$50 million in FY 2004. OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO. |                  |               |            |               |
| <b>Department of Justice:</b>  |                  |               |            |               |
| Office of Inspector General.....   | -1               | 1             | ---        | -1            |
| OMB and CBO have \$1 million budget authority and outlay differences due to rounding.  |                  |               |            |               |
| <b>Department of Labor:</b>  |                  |               |            |               |
| Unemployment Trust Fund.....   | -90              | -90           | 140        | 140           |
| OMB assumes the extended benefits will be drawn through FY 2004. CBO assumes benefits could be drawn through FY 2005, since there is no cut-off to drawing the 26 weeks of benefits. OMB and CBO also have different assumptions on the number of people who will be collecting the benefit, which leads to the different estimates of budget authority and outlays in each year.  |                  |               |            |               |
| <b>International Assistance Programs:</b>  |                  |               |            |               |
| <b>Agency for International Development:</b>   |                  |               |            |               |
| Operating Expenses of the United States Agency for International Development.....  | -1               | 7             | ---        | -6            |
| OMB and CBO have a \$1 million difference due to rounding. In addition, OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |               |            |               |

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(in millions of dollars)

|  | ENACTED SPENDING |       |         |        |
|--|------------------|-------|---------|--------|
|  | FY 2003          |       | FY 2004 |        |
|  | BA               | OL    | BA      | OL     |
| <b>Independent Agency:</b>   |                  |       |         |        |
| Broadcasting Board of Governors.....   | -1               | 3     | ---     | 9      |
| OMB and CBO have a \$1 million budget authority difference due to rounding.<br>In addition, OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO. |                  |       |         |        |
| <b>CBO Plug Account:</b>   |                  |       |         |        |
| CBO uses this account to bring account level detail (tracked in thousands) in line with the bill total (tracked in millions).  | 4                | ---   | ---     | ---    |
| <b><u>Technical Outlay Estimating Differences:</u></b>   |                  |       |         |        |
| <b>Department of Defense:</b>  |                  |       |         |        |
| Operation and Maintenance, Defense-wide.....   | ---              | 357   | ---     | -277   |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |       |         |        |
| Operation and Maintenance, Army.....   | ---              | 4,111 | ---     | -3,066 |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |       |         |        |
| Operation and Maintenance, Navy.....   | ---              | 1,600 | ---     | -1,368 |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |       |         |        |
| Operation and Maintenance, Air Force.....  | ---              | 1,995 | ---     | -1,529 |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |       |         |        |
| Operation and maintenance, Marine Corps.....   | ---              | 419   | ---     | -276   |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |       |         |        |
| Military Personnel, Army.....  | ---              | -177  | ---     | 123    |
| OMB has lower estimates of outlays from new authority and higher estimates of second-year outlays than CBO.  |                  |       |         |        |
| Defense Health Program.....  | ---              | 236   | ---     | -202   |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |       |         |        |
| Procurement of Ammunition, Army.....   | ---              | 45    | ---     | 48     |
| OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO.   |                  |       |         |        |

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(in millions of dollars)

|  | ENACTED SPENDING |      |         |       |
|--|------------------|------|---------|-------|
|  | FY 2003          |      | FY 2004 |       |
|  | BA               | OL   | BA      | OL    |
| Other procurement, Army.....<br>OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO.                                 | ---              | 32   | ---     | 29    |
| Other procurement, Air Force.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                             | ---              | 40   | ---     | -24   |
| Procurement, Defense-wide.....<br>OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO.                               | ---              | 96   | ---     | 14    |
| Iraq Freedom Fund.....<br>OMB has lower estimates of outlays from new authority and higher estimates of second-year outlays than CBO.  | ---              | -836 | ---     | 2,116 |
| <b>Department of Energy:</b>   |                  |      |         |       |
| Defense Nuclear Nonproliferation.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                         | ---              | 47   | ---     | -20   |
| <b>Department of Homeland Security:</b>  |                  |      |         |       |
| Office of Domestic Preparedness.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                          | ---              | 602  | ---     | -491  |
| Customs and Border Protection.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                            | ---              | 200  | ---     | -167  |
| Transportation Security Administration.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                   | ---              | 159  | ---     | -105  |
| Immigration and Customs Enforcement.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                      | ---              | 68   | ---     | -66   |
| U.S. Coast Guard, Operating Expenses.....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.                     | ---              | 38   | ---     | -34   |
| Emergency Preparedness and Response, Operating Expenses .....<br>OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO. | ---              | 38   | ---     | -20   |

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|  | ENACTED SPENDING |               |            |               |
|--|------------------|---------------|------------|---------------|
|  | FY 2003          |               | FY 2004    |               |
|  | BA               | OL            | BA         | OL            |
| <b>Department of Justice:</b>  |                  |               |            |               |
| Salaries and Expenses, FBI.....  | ---              | 128           | ---        | -129          |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |               |            |               |
| <b>Department of State:</b>  |                  |               |            |               |
| Embassy Security, Construction, and Maintenance.....   | ---              | 109           | ---        | 10            |
| OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO. |                  |               |            |               |
| Diplomatic and Consular Programs.....  | ---              | 46            | ---        | 2             |
| OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO. |                  |               |            |               |
| Emergencies in the Diplomatic and Consular Service.....  | ---              | 39            | ---        | 3             |
| OMB has higher estimates of outlays from new authority and higher estimates of second-year outlays than CBO. |                  |               |            |               |
| <b>International Assistance Programs:</b>  |                  |               |            |               |
| Economic Support Fund.....   | ---              | 580           | ---        | -516          |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |               |            |               |
| Iraq Relief Reconstruction Fund.....   | ---              | 222           | ---        | -128          |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |               |            |               |
| <b>Military Assistance:</b>  |                  |               |            |               |
| Foreign Military Financing Program.....  | ---              | 37            | ---        | -163          |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |               |            |               |
| <b>Department of Veterans Affairs:</b>   |                  |               |            |               |
| General Operating Expenses, Veterans Health Administration.....  | ---              | 44            | ---        | -38           |
| OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.  |                  |               |            |               |
| <b>Other technical estimating differences.....</b>   | <b>---</b>       | <b>304</b>    | <b>---</b> | <b>-253</b>   |
| <b>TOTAL DIFFERENCES.....</b>  | <b>44</b>        | <b>10,528</b> | <b>60</b>  | <b>-6,360</b> |
| <b>OMB ESTIMATE, WARTIME-RELATED SUPPLEMENTAL APPROPRIATIONS.....</b>  | <b>79,234</b>    | <b>52,552</b> | <b>275</b> | <b>20,990</b> |

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|  | ENACTED SPENDING |               |            |               |
|--|------------------|---------------|------------|---------------|
|  | FY 2003          |               | FY 2004    |               |
|  | BA               | OL            | BA         | OL            |
| <b><u>SUMMARY</u></b>  |                  |               |            |               |
| <b>CBO ESTIMATE, WARTIME-RELATED SUPPLEMENTAL APPROPRIATIONS<sup>1</sup> .....</b> | <b>79,190</b>    | <b>42,024</b> | <b>215</b> | <b>27,349</b> |
| <b>TOTAL DIFFERENCES .....</b>   | <b>44</b>        | <b>10,528</b> | <b>60</b>  | <b>-6,359</b> |
| <b>OMB ESTIMATE, WARTIME-RELATED SUPPLEMENTAL APPROPRIATIONS .....</b>             | <b>79,234</b>    | <b>52,552</b> | <b>275</b> | <b>20,990</b> |

<sup>1</sup> CBO's data received by OMB on April 16, 2003.

**TABLE 2.**  
**ENACTED APPROPRIATIONS AS OF JUNE 6, 2003**  
(in millions of dollars)

|   | <u>FY 2003</u> |         | <u>FY 2004</u> |         |
|---|----------------|---------|----------------|---------|
|   | BA             | Outlays | BA             | Outlays |
| <b>Highway Category Spending</b>                          |                |         |                |         |
| Highway Category spending limits <sup>1</sup> .....       | ---            | 29,100  | N/A            | N/A     |
| Amount Previously Enacted.....                            | ---            | 29,100  | ---            | ---     |
| Total Enacted, Highway Category Spending.....             | ---            | 29,100  | ---            | ---     |
| <b>Appropriations over/under (-) spending limits.....</b> | N/A            | ---     | N/A            | N/A     |
| <b>Mass Transit Category Spending</b>                     |                |         |                |         |
| Mass Transit Spending Limits <sup>1</sup> .....           | ---            | 6,030   | N/A            | N/A     |
| Amount Previously Enacted <sup>2</sup> .....              | [1,445]        | 6,030   | ---            | ---     |
| Total Enacted, Mass Transit Category Spending.....        | [1,445]        | 6,030   | ---            | ---     |
| <b>Appropriations over/under (-) spending limits.....</b> | N/A            | ---     | N/A            | N/A     |
| <b>Conservation Category Spending</b>                     |                |         |                |         |
| Conservation Spending Limits <sup>1</sup> .....           | 1,922          | 1,872   | 2,522          | 2,297   |
| Amount Previously Enacted.....                            | 1,480          | 1,607   | ---            | ---     |
| Total Enacted, Conservation Category Spending.....        | 1,480          | 1,607   | ---            | ---     |
| <b>Appropriations over/under (-) spending limits.....</b> | -442           | -265    | -2,522         | -2,297  |



**TABLE 2.**  
**ENACTED APPROPRIATIONS AS OF JUNE 6, 2003**  
(in millions of dollars)

|   | <u>FY 2003</u> |         | <u>FY 2004</u> |         |
|---|----------------|---------|----------------|---------|
|   | BA             | Outlays | BA             | Outlays |
| <b>Other Discretionary Spending</b>   |                |         |                |         |
| Other Discretionary Spending Limits <sup>1</sup> .....  | N/A            | N/A     | N/A            | N/A     |
| Amount Previously Enacted.....  | 760,266        | 756,963 | ---            | ---     |
| Amount provided in P.L. 108-11, the Emergency Wartime<br>Supplemental Appropriations Act, 2003..... | 79,234         | 52,552  | 275            | 20,990  |
|   | -----          | -----   | -----          | -----   |
| Total Enacted, Other Discretionary Spending.....  | 839,500        | 809,515 | 275            | 20,990  |
| <b>Appropriations over/under (-) spending limits.....</b>   |                |         |                |         |
|   | N/A            | N/A     | N/A            | N/A     |
| <b>Total Discretionary Spending</b>   |                |         |                |         |
| Total Discretionary Spending limits <sup>1</sup> .....  | 1,922          | 37,002  | 2,522          | 2,297   |
| Amount Previously Enacted <sup>2</sup> .....  | 761,746        | 793,700 | ---            | ---     |
| Amount provided in P.L. 108-11, the Emergency Wartime<br>Supplemental Appropriations Act, 2003..... | 79,234         | 52,552  | 275            | 20,990  |
|   | -----          | -----   | -----          | -----   |
| Total Enacted, Total Discretionary Spending <sup>2</sup> .....                                      | 840,980        | 846,252 | 275            | 20,990  |
| <b>Appropriations over/under (-) spending limits .....</b>  |                |         |                |         |
|   | N/A            | N/A     | N/A            | N/A     |

<sup>1</sup> FY 2003 limits are the limits that were included in the 2003 August Update Report, which was transmitted to the Congress on August 20, 2002. For FY 2004, only the conservation category limits remain and the amounts shown here reflect the levels specified in the BEA plus an adjustment to account for the amounts in both budget authority and outlays by which the enacted 2003 categories were underfunded. None of the 2003 or 2004 caps are enforceable, however, due to the expiration of several provisions of the BEA on September 30, 2002. The spending under the remaining categories for 2003 and 2004 are displayed here informational purposes only.

<sup>2</sup> Mass Transit Budget Authority, under BEA scoring conventions, does not count toward the discretionary spending limits. Therefore, it is not included in any totals and is displayed under the Mass Transit category as a non-add.