



Homeland
Security

June 4, 2010

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

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leaders Reid, McConnell, Hoyer and Boehner:

We are writing to inform you of the status of the Emergency Fund (EF) associated with the Oil Spill Liability Trust Fund (OSLTF) as it relates to the urgent need to continue the response to the BP/Deepwater Horizon oil spill.

The following request is technical in nature, as all expenditures related to the BP/Deepwater Horizon oil spill will ultimately be recovered from BP and other responsible parties. Nonetheless, Congress needs to act now to allow us to move monies from the OSLTF Principal Fund to the Emergency Fund to enable us to continue current response operations.

Our Nation's response to this oil spill of unprecedented size and complexity is far from over. As of June 1, 2010, obligations against the Emergency Fund for Federal response efforts total \$93 million. All of these costs are being billed to the responsible parties, and these receipts will be deposited into the OSLTF Principal Fund. In order to sustain the Federal response, however, the balance of the Emergency Fund, the fund within the OSLTF that is used to pay for Federal oil spill response activities in advance of reimbursement by the responsible parties, must be maintained.

Congress needs to act now to permit the movement of monies from the Principal Fund to the Emergency Fund. At the current pace of BP/Deepwater Horizon response operations, funding available in the Emergency Fund will be insufficient to sustain Federal response operations within two weeks. At that point, the Federal On-Scene Coordinator would not be able to commit sufficient funds to the agencies involved in the Federal response, including the National Guard, Department of Defense, National Oceanic and Atmospheric Administration, Environmental

June 4, 2010

Page 2

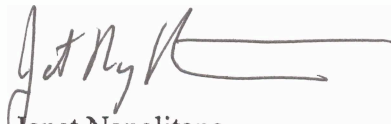
Protection Agency, Department of the Interior, and Department of Agriculture to continue to provide critical response services , including for logistical support (such as moving boom from Alaska and California to Louisiana), scientific support (such as evaluating the environmental impact of the spill and the response), and public health support (such as ensuring seafood from the Gulf region is safe and monitoring fumes that might be a public health issue). Additional transfers from the OSLTF Principal Fund to the Emergency Fund are needed to fulfill the President's order to bring all available and appropriate resources to bear in response to this disaster. Furthermore, depleting all currently available funds puts at risk the Nation's ability to address any new spills unrelated to BP/Deepwater Horizon.

On May 12, the Administration proposed legislative changes to support the BP/Deepwater Horizon response and speed assistance to people in need. Among these proposals is a provision that would permit the Coast Guard to obtain additional advances of up to \$100 million each from the OSLTF Principal Fund to the Emergency Fund for this incident to continue Federal response activities. This key provision must be acted upon immediately when Congress returns from recess. Given the projected resource demands, we respectfully request that you address this need through passage of the FY 2010 Supplemental.


In the interim, we are doing everything possible under the existing statute to ensure that our efforts to address this spill are not impeded. By fully leveraging current OSLTF Emergency Fund advance authorities and exercising prudent financial management principles, the Department of Homeland Security has maximized available funding to respond to this spill of national significance.

We appreciate your commitment to these efforts and urge Congress to act swiftly and with the same foresight and urgency that created this unique funding mechanism, to make those very funds available for the use they were intended. Your staff has been briefed on this earlier in the week. Should you wish further assistance, please do not hesitate to contact us at (202) 282-8203.

Yours very truly,



Janet Napolitano
Secretary



Admiral Thad Allen
National Incident Commander

cc: The Honorable Daniel K. Inouye
The Honorable Thad Cochran
The Honorable Robert C. Byrd
The Honorable George Voinovich
The Honorable Dave Obey
The Honorable Jerry Lewis
The Honorable David E. Price
The Honorable Harold Rogers