

NY Leaders Question Cut in Recovery Money

By Ellen Yan

WASHINGTON BUREAU

Washington — Sparks are expected on Capitol Hill today when the White House budget director goes before the New York congressional delegation to defend the administration's proposed diversion of some of the state's terrorism recovery money.

After the Sept. 11 terrorist attacks, Congress approved \$40 billion in emergency spending. Half of the money was to go to defense, such as aviation security and the fight against bioterrorism; the other half was for humanitarian aid to Virginia, Pennsylvania and New York. Delegation members say President George W. Bush promised the state \$20 billion for bearing the brunt of the attacks.

When Bush submitted his outline for spending \$20 billion of the money, however, only \$6.3 billion was for New York. The House is expected to tack plans for the \$20 billion installment onto the defense appropriations bill, which will likely be voted on next week. New York received \$2.5 billion in the first \$10 billion installment of emergency funding.

"This won't be the only terrorism attack, and if

they're going to set a precedent, that the federal government won't pay for you, then everybody's going to take note of that," said Rep. Gary Ackerman (D-Jamaica Estates).

To counter arguments from Budget Director Mitch Daniels Jr. — that New York can't spend all the money this year and that other needs, such as the anthrax crisis, must be funded — the entire delegation for the first time has agreed on a list of costs totaling \$20.1 billion. The list includes money for tourism industry relief, employee retention grants, rebuilding of publicly owned infrastructure, paying for rescuers' overtime and unemployment benefits.

"Having a specific plan and coordinating with the House and Senate is really critical," said Rep. Nita Lowey (D-Westchester), a key figure crafting the plan. "We want to be operating on the same base of facts."

Appropriations Committee leaders, who got New York's spending plan, said they want to carve a bigger slice for the state out of Bush's \$20-billion proposal, especially if they can get widespread agreement on spending additional money for defending against terrorism.

Also today, New York State's legislative leaders, Senate Majority Leader Joseph Bruno (R-Brun-

swick) and Assemb. Speaker Sheldon Silver (D-Manhattan), will lobby congressional leaders together for the first time.

Busloads of small-business owners, residents from the devastated area below Canal Street, AFL-CIO officials and powerful business magnates from the New York City Partnership, an umbrella group of businesses, will also be sweeping congressional leaders' Capitol Hill offices. They said lawmakers don't realize the full extent of the devastation.

"They just think the insurance is enough to cover it or they think we're just okay," said Vivia Amalfitano, whose three restaurants are still off limits in lower Manhattan. "We have total devastation and it seems we may not be able to go back for a year."

Several lawmakers said they think they can get enough money from the White House to last until the end of the year and then receive further funding early next year in a second emergency funding bill.

The strategy has its risks, however. "If we leave some on the table and in effect play ball," said upstate Republican Rep. John Sweeney, "will we be penalized later . . . when we need another \$10 billion to recoup that loss?"

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