

Congress of the United States

Washington, DC 20515

December 13, 2005

Honorable Richard Shelby
Chairman
Senate Banking, Housing and
Urban Affairs Committee
534 Dirksen
Washington DC 20510

Honorable Michael G. Oxley
Chairman
House Financial Services
Committee
2129 Rayburn HOB
Washington DC 20510

Honorable Paul Sarbanes
Ranking Member
Senate Banking, Housing and
Urban Affairs Committee
534 Dirksen
Washington DC 20510

Honorable Barney Frank
Ranking Member
House Financial Services
Committee
B-301C Rayburn HOB
Washington DC 20510

Dear Chairmen Shelby and Oxley and Ranking Members Sarbanes and Frank,

As you begin conferencing on the extension and revision of the Terrorism Risk Insurance Act (TRIA), as Members of the New York delegation we ask that you include language to study the market's ability to provide terrorism insurance for the building contracts at sites of previous terrorist attacks upon expiration of TRIA.

The Terrorism Risk Insurance program was created out of the ashes of the World Trade Center. In an economically tumultuous time, TRIA helped to stabilize the market and put New York City on the path to reconstruction and recovery.

As the site of two previous terrorist attacks, the World Trade Center site faces unique challenges in obtaining and maintaining adequate terrorism insurance. Further, with extensive rebuilding occurring in so concentrated a period (roughly \$15 billion in a 5-10 year period), it is not clear the insurance market can provide the capacity necessary to cover these perceived risks. Upon expiration of TRIA, the level of uncertainty surrounding the World Trade Center site may make it difficult for builders and developers to continue to execute upon existing contracts or sign new contracts to ensure the completion of rebuilding efforts in Lower Manhattan.

We ask that the language below be included in the Conference Report to require a Commission on Terrorism Risk Insurance to evaluate whether, in the absence of TRIA, the market will provide the terrorism insurance necessary to renew or generate new building contracts necessary for the redevelopment of sites of previous acts of terrorism.

Should the Commission find the market is inadequate to do so, it would be required to make recommendations on a form of TRIA that will facilitate the completion of such projects.

In section 105(c) of the matter proposed to be added by section 2(a)(1) of the bill, add at the end the following new paragraph:

(4) REDEVELOPMENT ASSESSMENT. – The Commission shall also evaluate whether or not coverage under the Program under this Act is necessary to permit redevelopment at the site of a previous act of terrorism. If the Commission determines that the market will not provide for renewal of, or generation of new, insurance contracts necessary to permit such redevelopment, the Commission shall recommend coverage under the Program under this Act, or a variation of such Program, that will facilitate the completion of such redevelopment project. The Commission shall include such evaluation and any such recommendation required under this paragraph in the report submitted pursuant to paragraph (3).

Thank you for your consideration of this request. We look forward to working with Conferees to see this language included in the extension and revision of the Terrorism Risk Insurance Act.

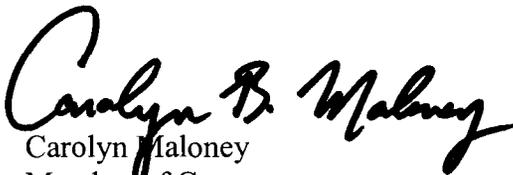
Sincerely,



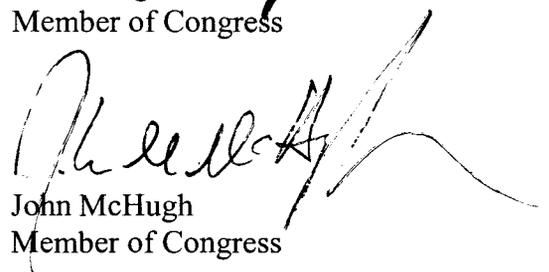
Vito Fossella
Member of Congress



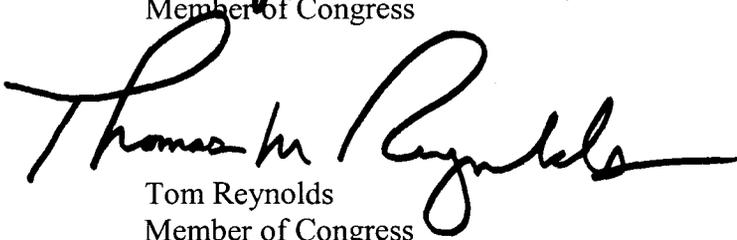
Peter King
Member of Congress



Carolyn Maloney
Member of Congress



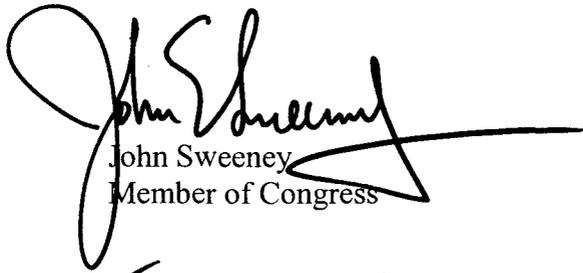
John McHugh
Member of Congress



Tom Reynolds
Member of Congress



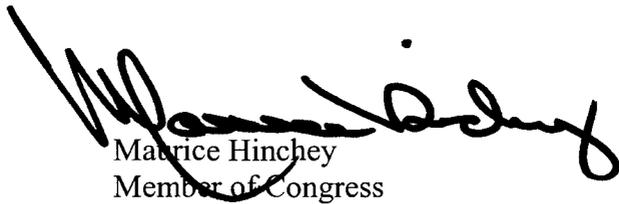
Brian Higgins
Member of Congress



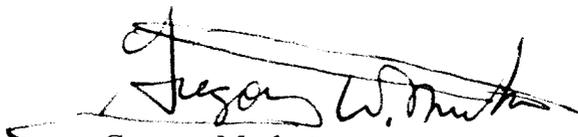
John Sweeney
Member of Congress



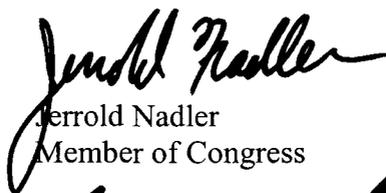
Eliot Engel
Member of Congress



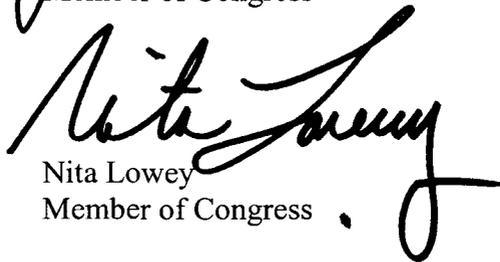
Matrice Hinchey
Member of Congress



Gregory Meeks
Member of Congress



Jerrold Nadler
Member of Congress



Nita Lowey
Member of Congress



Tim Bishop
Member of Congress

cc: Honorable Sue Kelly
Honorable Joe Crowley
Honorable Steve Israel



Gary Ackerman
Member of Congress



Carolyn McCarthy
Member of Congress



Charles Rangel
Member of Congress



Sherwood Boehlert
Member of Congress



Major Owens
Member of Congress



Anthony Weiner
Member of Congress

Addendum:

Hillary Rodham Clinton

Hillary Rodham Clinton
Senator

Randy Kuhl

Randy Kuhl
Member of Congress

Charles Schumer

Charles S. Schumer
Senator

Louise M. Slaughter

Louise Slaughter
Member of Congress