

Report on NYC Recovery from Congresswoman Carolyn Maloney

DECEMBER 2001

Dear New Yorker,

Language tries, but fails.

There isn't a word adequate to describe the events of September 11. Many apply, but none are sufficient: tragedy; terrorism; attack.

Similarly, nothing fits in describing its aftermath: shock; grief; fear; recession; war.

Describing actions taken by public officials seems somehow manageable by comparison—words actually work. Money is proposed. A bill passes. The President signs.

In September, with strong support from President Bush, Congress united to pass an immediate \$40 billion authorization to fight terrorism, including \$20 billion for New York City's and the other attack sites' cleanup. As of this writing, only \$11 billion of that amount has been allocated for New York. Along with U.S. Senators Chuck Schumer and Hillary Clinton, I'm working to prevent New York from being shortchanged—to ensure we get the resources we need to rebuild, recover and rebound.

On other fronts, President Bush and both parties' leadership deserve credit for working quickly to enact bipartisan legislation to deal with our new realities. Congress ultimately passed, and the President signed, legislation that makes air security a federal responsibility, rather than that of the airlines. I also voted for a stringent anti-terrorism law, which I supported once a four-year "sunset" provision was included. Finally, as a senior member of the House Committee on Financial Services, I have been working on legislation that will help bridge the crisis in the "reinsurance" industry and increase restrictions on money-laundering practices in the banking industry.

I lost many friends and neighbors on September 11th, yet I am keenly aware that I am among the lucky scores of constituents lost loved ones and some their livelihoods. My thanks go out to our firefighters, police officers, rescue workers and members of the military who put their lives on the line to protect ours.

If I can be of an assistance to you in these challenging times, or if you wish to express your concerns, please don't hesitate to contact my office.

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Sincerely,



Carolyn B. Maloney
Member of Congress

P.S. House office buildings have reopened after being exhaustively tested for anthrax contamination, but regular mail is not regular anymore. If you would like to reach me in Washington, the best methods are e-mail and fax: rep.carolyn.maloney@mail.house.gov or fax 202/225-4709. Mail deliveries are uninterrupted at my New York offices listed at left.

Fighting for New York's needs

There is little doubt that the federal government will pay to clear up the site of the World Trade Center, at a cost that may exceed \$10 billion.

But the real battle for funding will be fought over unmet needs that do not fit neatly in the federal guidebook for disaster relief.

Such as the lost revenue suffered by area hospitals that canceled all elective surgery in order to treat a flood of injuries which never arrived. Or the costs to utilities to rewire lower Manhattan, which could end up being paid for by New Yorkers in rate increases. Or the need to make up lost instructional time for children whose schools were disrupted.

125,000 New Yorkers have lost their jobs since September 11th. Unless unemployment benefits are extended, many will soon have no income whatsoever. I'm working with colleagues in the New York delegation to hold the Bush administration and the House leadership to their promise of \$20 billion for New York City this year. At such a critical time, we shouldn't have to fight so hard for money that had already been authorized.

While that battle continues, there are several proposals to spur the local economy and garner additional funding for New York in the economic stimulus package. U.S. Senators Schumer and Clinton are seeking to create an Economic Development Zone in the area around the site. The goal would be to retain and attract businesses to the area through tax incentives and grants. Additional benefits would be provided for individuals facing costly repair and replacements.

I, along with Rep. Thomas Reynolds (R-Clarence, NY) have introduced the "I Love NY Tax Deduction Act" (HR 2940), would allow individuals to deduct \$500, (joint filers \$1000), from their federal income taxes for the cost of meals, lodging or entertainment in New York City in 2002. This would help jumpstart local businesses suffering from the drop in tourism, and would also help the travel industry nationwide.

Ensuring reinsurance to rebuild New York

On November 29, the House passed legislation to ensure the continued operation of the insurance industry and avoid a massive credit crunch as a result of the increased threat of terrorism. Compromise legislation is expected to be passed by the end of the year.

The insurance industry is currently fulfilling its obligation in the wake of the World Trade Center attacks to cover the estimated \$50 to \$70 billion in claims. However, fearing the potential exposure from a possible second attack in the U.S., reinsurance companies that buy risk from primary property and casualty insurers are declining to renew contracts after Dec. 31.

By creating a short-term government partnership to share the prospective risks of future attacks, we bolster the industry and allow rebuilding to begin. Without reinsurers backing insurers up, we face a domino effect—without property & casualty coverage, banks will refuse to lend money for major capital improvements or real estate projects. Nowhere will the impact be felt more powerfully than in New York City. Without a smoothly functioning insurance market in New York, we can't put people back to work today and we can't plan for the rebuilding of the City tomorrow.

Even with the likely passage of the new bill, insurance rates are going to go up and availability shortages will be a fact of life next year. The New York state insurance commissioner will have to be especially vigilant to make sure that rates remain affordable and products are available in this new environment.

Tightening money-laundering restrictions

In the past, money laundering has been associated with drug cartels and criminal organizations that attempt to "wash" money that is the product of illegal enterprises.

In fighting terrorism we face a new challenge. Money laundering is no longer merely a financial issue—it's a national security issue. Without funds, 'Terror Incorporated' goes out of business. And in addition to stopping money that comes from illegal sources we must stop money that may come from legitimate-seeming charities, overseas businesses, and underground financial systems.

As a member of the Financial Services Committee, I helped craft the anti-money laundering provisions in the USA PATRIOT Act (P.L. 107-56) passed by Congress and signed by the President. It gives law enforcement new tools in the anti-terror fight. It gives the Treasury Department authority to impose additional due diligence requirements on U.S. institutions when they conduct business with individuals or banks in countries with weak money laundering enforcement.

Terrorists such as Osama bin Laden have used accounts in the Sudan and other countries to set up correspondent accounts with U.S. banks and wire money to individuals in the U.S. The new law will require U.S. banks that have "correspondent account" relationships with banks in weak money laundering enforcement countries to determine who the rightful owners of accounts are, and to pay special attention to money transfers from such countries to the U.S. The bill also increases criminal penalties for those who smuggle concealed bulk-cash into the United States.

Anti-terror bill passed

The USA PATRIOT Act also created other tools for law enforcement to combat terrorist threats. The bill...

- Grants easier, more efficient access to a judge who can issue search warrants nationwide

- Permits "roving" wiretaps which target a specific suspect, not a specific phone line

- Expands surveillance to include Internet communications

- Allows law enforcement to acquire information relating to a suspect, such as a credit card number, with a subpoena rather than a search warrant

- Makes the possession of biological agents and toxins a criminal offense

- Eliminates the statute of limitations for serious terrorist offenses

- Triples law enforcement staffing on the northern border of the United States.

While concern regarding the potential for violations of civil liberties was an issue for me in considering this bill, the fact that its provisions expire after four years made its extraordinary provisions acceptable. The sunset clause will allow Congress to re-visit the issue once the current crisis has passed.

Air security bill passed

We'll never know exactly how they hijacked the planes. In fact they used box-cutter knives—not firearms or bombs—then the attacks were a paradox: the most damaging assaults ever made on U.S. soil could be conducted with weapons that could be legally taken on board a plane.

Yet the weaknesses in airport security are glaring and well-known: underpaid, ill-trained, and ill-equipped, passenger and baggage screeners are hired by low-bid contractors to the airlines. After September 11th, airport security is no longer mere fodder for tabloid TV and sweeps-week exposés—it's a national security issue.

I supported the effort to make air security staff federal employees, and the requirement that every bag brought onto a plane—either checked or carried on—be searched for weapons or explosives. The new law also expands the federal air marshal program, allowing many more air marshals on flights; requires anti-hijacking training for airline crews; requires individuals seeking flight instruction to submit to a background check, and an Immigration and Naturalization Service review for foreign students.

New York City's fiscal health is directly affected by the airline and tourism industries. With this new legislation, improved security in the air can help the tourism business rebound.



On September 12, I brought safety experts and civil engineers to Ground Zero—and stood witness to the strength and heroism of rescue and salvage workers.



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Official Business

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Washington, D.C. 20515-3214

ROAD TOWARD RECOVERY

My office is here to help

On September 30th, I held a town hall meeting and invited New York rescue workers, including firefighters, police, EMT workers and national guardsmen, to learn more about the recovery efforts from the Federal

Emergency Management Agency and the Red Cross. Information on social security, workers compensation, Small Business Administration loans and other government programs was available to those with specific problems.

In recent weeks, many people have come to me with concerns arising from the destruction of the World Trade Center, including family members seeking visas to attend funerals; business owners who have been displaced by the disaster; individuals who have lost their jobs, homes or personal property; and family members who need financial assistance.

If you have a concern—directly related to the terrorist attack or not—my staff is ready to help with any problem you may have with a government agency.

Manhattan: 1651 Third Ave., Suite 311, New York, NY 10128
212/860-0606

Queens: 28-11 Astoria Blvd., Astoria, NY 11102
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September 11 Victim Fund established

On September 21, 2001—with strong bipartisan support—Congress passed the Airline Stabilization Act (H.R. 2926; P.L. 107-42) which included the September 11th Victim Compensation Fund to respond to the devastating personal losses arising from the terrorist attacks on America.

The Fund will provide financial compensation to the victims and family members of victims of the September 11th attacks without the claimants having to go to court. The Fund will be administered by Kenneth R. Feinberg as a Special Master, appointed by the Attorney General John Ashcroft. Feinberg will decide the specific procedures under which this Fund will work.

The September 11th Victim Compensation Fund is expected to be up and running by the end of the year. Congress has ensured that a decision on the person's or family's case be rendered within 120 days of the filing of the claim.

If you're a victim and need help, call the Dept. of Justice's Victim Assistance Information Line: 1-800-331-0075 (TTY 1-800-833-6885) or visit the webpage at <http://www.ojp.usdoj.gov/ovc/vfa>.