

Missing: 700M in 9/11 aid

Tax breaks a no-show

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Remember that \$21.4 billion in federal aid New York was promised after the Sept. 11 attacks? Well, more than a half a billion has vanished.

The money - roughly \$700 million - wasn't swiped.

It was quietly taken off the books by the White House and Congress in recent months.

The biggest chunk of missing money resulted from a revision in expected tax breaks designed to speed rebuilding and create jobs near Ground Zero.

The Liberty Zone stimulus package has diminished in value from \$5.5 billion to about \$5 billion since President Bush touted the plan in the White House Rose Garden on March 7.

New York also is out \$100 million to cover welfare expenses and \$100 million for transit projects, federal officials said.

"Only in Washington can you misplace a half a billion dollars and not think it was a big deal," said Rep. Carolyn Maloney (D-Manhattan), blaming the White House. "Well, I can tell you it is a big deal to the people of New York who still haven't recovered from the 9/11 attacks, who lost their job or their business."

Blaming Congress

Not so fast, countered the White House Office of Management and Budget, which blamed Congress for the loss of aid.

Amy Call, a spokeswoman for the White House budget office, said the city lost the welfare and transit money because Congress approved less aid than the White House recommended.

Call said White House readjusted the value of the Liberty Zone package - but only after the congressional joint committee on taxation reviewed the plan and came up with the lower estimate.

"So in two cases, Congress didn't enact as much as we had hoped for, and the third came out of congressional committee," she said.

Says promise kept

However, the joint tax committee report referred to by the White House is dated March 6 - the day before Bush announced the Liberty Zone plan.

The report pegged the value of the plan at \$5 billion, but it was still trumpeted as being worth \$5.5 billion.

Call said the White House probably had not received the information before the announcement. She added that Bush has fulfilled his vow to give New York \$20 billion in post-9/11 aid.

The Liberty Zone package was the most contentious part of the federal aid package.

Some Democrats quietly groused that it should not have been counted as part of the \$20 billion because its benefit to the city economy was difficult to measure.