

federal register

MONDAY, JANUARY 24, 1977

PART VIII



**OFFICE OF
MANAGEMENT
AND BUDGET**

■

**BUDGET RESCISSIONS
AND DEFERRALS**

NOTICES

OFFICE OF MANAGEMENT AND BUDGET
BUDGET RESCISSIONS AND DEFERRALS

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith propose nine new rescissions totalling \$1,001.3 million and report eight new deferrals totalling \$273.4 million in budget authority developed in connection with the 1978 budget. In addition, I am reporting \$70.6 million in increases to five deferrals previously transmitted.

The rescission proposals pertain to programs of the Departments of Commerce, Defense, State, and Transportation as well as the Small Business Administration and an International Security Assistance program.

The new deferrals involve programs of the Departments of Commerce and Transportation and the Energy Research and Development Administration while the increases to existing deferrals relate to the Departments of Agriculture, Defense, and Transportation.

I urge the Congress to act favorably on the rescission proposals.

Herold R. Ford

THE WHITE HOUSE, January 17, 1977.

SUMMARY OF SPECIAL MESSAGE
(in thousands of dollars)

<u>Rescission #</u>	<u>Item</u>	<u>Budget Authority</u>
	Funds Appropriated to the President:	
	International Security Assistance	
R77-5	Foreign military credit sales.....	41,500
	Commerce:	
	U.S. Travel Service	
R77-6	Salaries and expenses.....	525
	National Oceanic and Atmospheric	
	Administration	
R77-7	Operations, research, and	
	facilities.....	1,500
	Defense-Military:	
R77-8	Retired Pay, Defense.....	143,600
R77-9	Shipbuilding and Conversion, Navy....	721,000
R77-10	Other Procurement, Air Force.....	14,350
	State:	
R77-11	Contributions for international	
	peacekeeping activities.....	12,000
	Transportation:	
	Coast Guard	
R77-12	Retired pay.....	6,803
	Other Independent Agencies:	
	Small Business Administration	
R77-13	Business loan and investment fund..	60,000
	Subtotal, rescission proposals.....	1,001,278
<u>Deferral #</u>		
	Agriculture:	
	Foreign Agricultural Service	
D77-2A	Salaries and expenses	
	(special foreign currency	
	program).....	1,743
	Forest Service	
D77-5A	Miscellaneous permanent appropria-	
	tions, Licensee programs.....	239
	Commerce:	
	General Administration	
D77-45	Special foreign currency program...	654

<u>Deferral #</u>	<u>Item</u>	<u>2 Budget Authority</u>
	National Oceanic and Atmospheric Administration	
D77-46	Operations, research, and facilities.....	7,500
	Maritime Administration	
D77-47	Ship construction.....	200,900
	Defense-Military:	
D77-10B	Military construction.....	387,652
	Transportation:	
	Federal Aviation Administration	
D77-24A	Civil supersonic aircraft develop- ment termination.....	8,080
D77-25A	Facilities and equipment (Airport and airway trust fund).....	287,095
	Federal Highway Administration	
D77-48	Trust fund share of other highway programs.....	31,250
	Energy Research and Development Administration:	
D77-49	Operating expenses (Energy Extension Service).....	7,500
D77-50	Operating expenses (magnetic fusion energy).....	12,000
D77-51	Operating expenses (program support- community operations).....	5,400
D77-52	Operating expenses (biomedical and environmental research).....	8,200
	Subtotal, deferrals.....	958,213
	Total, rescissions and deferrals.....	1,959,491

SUMMARY OF SPECIAL MESSAGES
FOR FY 1977
(Amounts in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Seventh special message:		
New items.....	1,001,278	273,404
Changes to amounts previously submitted.....	---	70,606
	-----	-----
Effect of the seventh special message.....	1,001,278	344,010
Previous special messages.....	99,100	6,704,130
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Total amount proposed in special messages.....	1,100,378 (in 13 re- scission proposals)	7,048,140 (in 52 deferrals)

NOTE: All amounts listed represent budget authority except for \$134,807,092 consisting of two general revenue sharing deferrals of outlays only (D77-26 and D77-27A). Reports for D77-26 and D77-27A are included in the special messages of October 1, 1976, and December 3, 1976, respectively.

NOTICES

Rescission Proposal No: R77-5

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Funds Appropriated to the President	New budget authority (P.L. <u>94-441</u>)	\$ <u>740,000,000</u>
Bureau International Security Assistance	Other budgetary resources	<u>---</u>
Appropriation title & symbol Foreign Military Credit Sales, 1977 1171082	Total budgetary resources	<u>740,000,000</u>
	Amount proposed for rescission	\$ <u>41,500,000</u>
OMB identification code: 11-1082-0-1-052	Legal authority*(in addition to sec. 1012): <input checked="" type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification

Pursuant to Public Law 90-629, the Foreign Military Sales Act, approved October 22, 1968, as amended (including Title II of Public Law 94-329, the International Security Assistance and Arms Export Control Act of 1976, approved June 30, 1976), and Executive Order No. 11501 of December 22, 1969, as amended, the Secretary of Defense, under the continuous supervision and general direction of the Secretary of State, uses appropriated funds to make loans to friendly foreign countries and international organizations to finance procurement of defense articles and defense services from the United States and to guarantee loans made by private U.S. financial institutions or the Federal Financing Bank for the same purpose.

Public Law 94-441, the "Foreign Assistance and Related Programs Appropriations Act, 1977," approved October 1, 1976, appropriated \$740,000,000 for the period October 1, 1976, through September 30, 1977, "to enable the President to carry out the provisions of the Foreign Military Sales Act" (now known as the Arms Export Control Act). On December 3, 1976, all of the appropriated \$740,000,000 was reported as deferred (D77-38) pending the approval of specific loans to eligible countries by the Departments of State, Defense, and the Treasury.

The President has determined that \$41.5 million of the \$740.0 million in available budget authority will not be required to carry out the full objectives and scope of the Foreign Military Credit Sales program for which it was provided. Therefore, a rescission of that amount is proposed. The \$41.5 million in excess budget authority results from changes in program plans that place increased reliance on guaranteed loans rather than direct credit during fiscal year 1977. Under the guarantee program, funds equal to 10% of the face value of loans are obligated to guarantee loans provided to foreign aid recipients by the Federal Financing Bank or private lending institutions. In contrast, the full face value of the loans is obligated by the U.S. Government in direct credit transactions. The program would be operating at its full authorized level (\$2,022.1 million) if the rescission is accepted.

R77-5

Estimated Effects

The planned 1977 program of \$2,022.1 million would not be affected by this rescission proposal because the proposal is concerned only with a change in the method of financing the loans--not in the level of loans.

Outlay Effect (Estimated in millions of dollars) 1/

Comparison with the President's 1978 budget:

1. Budget outlay estimate for 1977.....	575.0
2. Outlay savings, if any, included in the estimate.....	15.0
Current outlay estimate for 1977:	
3. Without rescission.....	590.0
4. With rescission.....	575.0
5. Current outlay savings (line 3-line 4).....	15.0
Outlay savings for 1978.....	10.0
Outlay savings for 1979.....	10.0
Outlay savings for 1980.....	6.5

1/ The outlay savings listed are savings from on-budget outlays. The shift from direct loans to loan guarantees results in a corresponding shift from on-budget to off-budget (Federal Financing Bank) outlays in the same amount as the "outlay savings" when the loans are made by the Federal Financing Bank.

TITLE II - FOREIGN MILITARY CREDIT SALES

Foreign Military Credit Sales

Of the funds appropriated under this head in the Foreign Assistance and Related Programs Appropriations Act, 1977, \$41,500,000 are rescinded.

Rescission Proposal No: R77-6

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Department of Commerce	New budget authority (P.L. <u>94-362</u>)	\$ <u>14,470,000</u>
Bureau <u>United States Travel Service</u>	Other budgetary resources	<u>0</u>
Appropriation title & symbol Salaries and expenses 1370700	Total budgetary resources	<u>14,470,000</u>
	Amount proposed for rescission	\$ <u>525,000</u>
OMB identification code: <u>13-0700-0-1-403</u>	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input checked="" type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority	
<input type="checkbox"/> No-year	<input type="checkbox"/> Other _____	

Justification

The budget authority available to date in 1977 for the activities of the U.S. Travel Service (USTS) totals \$14.5 million. The proposed rescission, if accepted, would reduce the amounts available for the Special Markets program and Industry and State programs.

Funds available for the Industry and State programs are utilized, in part, to support the development of a domestic tourism program. In 1977, budget authority of \$1.5 million was made available for this purpose. \$500,000 of this amount is proposed for rescission. The domestic tourism industry has agreed in principle with the Secretary of Commerce on the development of a domestic tourism program which would provide \$1.0 million in Federal "seed" money to be matched by the industry. The industry has accepted this level of financial commitment as appropriate for developmental purposes. A plan for 1977 is estimated not to be in place until April 1977.

Funds available for the Special Markets program are utilized to support the development of tour packages which encourage travel to the U.S. During 1977 five European special markets will be added to the three primary USTS markets to provide coverage to four-fifths of the Visit USA travelers from Europe. The proposed rescission includes \$25,000 in funds available for this program which are not required to support planned field visits to these special markets. \$300,000 will remain available for contacting travel representatives in these markets to promote the development of low cost tour packages.

Estimated Effects

The proposed rescission will have no adverse effects on planned USTS activities in the above two areas. Efforts will continue with industry toward the development of a domestic program in 1977 and contracts for development of tour packages in the five special European markets will be carried out.

Outlay Effect (estimated in millions of dollars):

Comparison with President's 1978 budget:

1. Budget outlay estimate for 1977.....	13.8
2. Outlay savings, if any, included in the budget outlay estimate.....	0.5

Current Outlay Estimates for 1977

3. Without rescission.....	14.3
4. With rescission.....	13.8
5. Current outlay savings (line 3 - line 4).....	0.5

R77-6

TITLE III - DEPARTMENT OF COMMERCE

United States Travel Service

Salaries and expenses

Appropriations provided under this head in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1977, are rescinded in the amount of \$525,000. Of the appropriations remaining, not less than \$1,000,000 shall be available for the domestic tourism promotion program.

Rescission Proposal No: R 77-7

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency <u>Department of Commerce</u>	New budget authority (P.L. <u>94-362</u>)	\$ <u>566,215,000</u> ^{1/}
Bureau <u>National Oceanic and Atmospheric Administration</u>	Other budgetary resources	<u>62,781,270</u>
Appropriation title & symbol <u>Operations, Research, and Facilities 13X1450 (OCEANLAB)</u>	Total budgetary resources	<u>628,996,270</u>
	Amount proposed for rescission	\$ <u>1,500,000</u>
OMB identification code: <u>13-1450-0-1-306</u>	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification:

The proposed rescission, if accepted, would decrease the funds available in 1977 to the Operations, research and facilities appropriation of the National Oceanic and Atmospheric Administration by \$1,500,000. The funds, available until expended, were provided for the design and engineering studies preliminary to construction, in future years, of an underwater mobile laboratory, OCEANLAB.

Rescinding these funds in 1977 will avoid initiating the expenditure of an estimated total of \$21.5 million over the next five years for full construction and operation of an OCEANLAB, and allow further careful review and consideration of any need for acquisition of an underwater laboratory. No specific missions have been identified for an exploratory facility such as the proposed OCEANLAB. Prior to construction and operation of such an expensive piece of scientific equipment, the specific types of studies required and the Federal objectives that would be accomplished should be identified. In addition, it is not now apparent that the proposed OCEANLAB is the most cost-effective means for obtaining necessary information.

Estimated Effects:

Rescission of the available funding in 1977 for design and engineering studies for an underwater mobile laboratory will have no impact on on-going programs. However, in the future some research on fish stocks may not be possible without the advanced capabilities envisioned for OCEANLAB. At the same time, the Executive Branch will be able to review and document the needs and users of the proposed facility, and actually estimate the benefits from the proposed facility against the likely costs of the program.

^{1/} Does not include \$55,000 transfer to General Administration, Department of Commerce for water resources planning activity.

R77-7

2

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1978 Budget:

- 1. Budget outlay estimate for 1977..... \$575.0
- 2. Outlay savings, if any, included in the budget outlay estimate..... 0.7

Current Outlay Estimates for 1977

- 3. Without rescission..... 575.7
- 4. With rescission..... 575.0

- 5. Current outlay savings (line 3 minus line 4)..... 0.7

Outlay Savings for 1978..... 0.8

National Oceanic and Atmospheric Administration
Operations, Research, and Facilities

Of the amount appropriated under this head in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1977, \$1,500,000 provided for studies (including surveys, mission analyses, cost analyses, and initiation of a design and engineering study) for an underwater ocean laboratory are rescinded.

Rescission Proposal No: R77-8

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Department of Defense	New budget authority <u>\$8,381,700,000</u> (P.L. <u>94-419</u>)
Bureau Office of the Secretary of Defense	Other budgetary resources _____
Appropriation title & symbol Retired Pay, Defense 9770030	Total budgetary resources <u>8,381,700,000</u>
OMB identification code: 97-0030-0-1-051	Amount proposed for rescission <u>\$ 143,600,000</u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority*(in addition to sec. 1012): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

The amount expected to be obligated is \$143.6 million below the Fiscal Year 1977 Appropriation as a result of lower than anticipated Consumer Price Index (CPI) adjustments, the effect of the new method for adjusting annuities, and net strength and rate changes. Therefore, rescission of \$143.6 million is proposed under provisions of the Antideficiency Act (31 U.S.C. 665).

Estimated Effects

There is no programmatic effect of this rescission proposal since the funds cannot be obligated.

Outlay Effect

There is no outlay effect of this proposal since the funds cannot be used.

DEPARTMENT OF DEFENSE - MILITARY

TITLE II

RETIRED MILITARY PERSONNEL

Retired Pay, Defense

Of the amount appropriated under this head in the Department of Defense Appropriation Act, 1977, \$143,600,000 is rescinded.

Rescission Proposal No: R77-9

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency <u>Department of Defense</u>	New budget authority <u>\$6,195,000,000</u> (P.L. <u>94-419</u>)
Bureau	Other budgetary resources _____
Appropriation title & symbol	Total budgetary resources <u>6,195,000,000</u>
Shipbuilding and Conversion, Navy 177/11611	Amount proposed for rescission <u>\$ 721,000,000</u>
OMB identification code: 17-1611-0-1-051	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation
<input checked="" type="checkbox"/> Multiple-year <u>1981</u> (expiration date)	<input type="checkbox"/> Contract authority
<input type="checkbox"/> No-year	<input type="checkbox"/> Other _____

Justification

The funds proposed for rescission were appropriated for procurement of long lead-time components for the CVN 71 nuclear aircraft carrier (\$350.0 million) and the U.S.S. Long Beach conversion program (\$371.0 million). This rescission proposal results from a Presidential decision not to procure the CVN 71 or to convert the Long Beach in the 1978-1982 period. This decision resulted from a review of the five-year Navy shipbuilding program, which was based on a National Security Council study on U.S. strategy and naval force requirements.

Estimated Effects

This rescission proposal would reduce 1977 budget authority by \$721 million, less any amount unrecoverable, and result in outlay reductions of \$51 million in 1977 and \$132 million in 1978 with the remainder of the reductions occurring in later years.

Outlay Effects (estimated in millions of dollars)

Comparison with the President's 1978 budget:

1. Budget outlay estimate for 1977.....	\$2,983.0
2. Outlay savings, if any, included in the budget outlay estimate.....	51.0

Current outlay estimate for 1977:

3. Without rescission.....	3,034.0
4. With rescission.....	<u>2,983.0</u>
5. Current outlay savings (line 3 - line 4).....	51.0
Outlay savings for 1978.....	\$132
Outlay savings for 1979.....	144
Outlay savings for 1980.....	144

DEPARTMENT OF DEFENSE - MILITARY

TITLE IV

PROCUREMENT

Shipbuilding and Conversion, Navy

Of the funds appropriated under this head in the Department of Defense Appropriation Act, 1977, \$721,000,000 are rescinded.

Rescission Proposal No. R77-10

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Department of Defense	New budget authority \$ _____ (P.L. _____)	213,817,857
Bureau Department of the Air Force	Other budgetary resources	213,817,857
Appropriation title & symbol Other Procurement, Air Force 575/73080	Total budgetary resources	213,817,857
	Amount proposed for rescission	\$ <u>14,350,000</u>
OMB identification code: 57-3080-0-1-051	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <u>1977</u> (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification

Funds provided to the Other Procurement, Air Force account have been used to terminate the Advanced Logistics System (ALS). The Department of Defense has determined--after the settlement of contracts for the termination of the ALS--that there is \$14.4 million remaining which it does not plan to obligate. Since there is no intention to obligate these funds and they will lapse under present plans, they are being proposed for rescission. The House Appropriation Committee, in House Report (94-5) (pages 163-165), concurs in the view that any funds which remain after termination costs have been met should be permitted to lapse.

Estimated Effects

This rescission proposal has no programmatic effects since the funds are excess to program requirements.

Outlay Effects

There is no outlay effect of this proposed rescission.

R77-10

DEPARTMENT OF DEFENSE—MILITARY

TITLE IV

PROCUREMENT

Other Procurement, Air Force

Of the funds appropriated under this head in the Department of Defense
Appropriation Act, 1975, \$14,350,000 are rescinded.

Rescission Proposal No: R77-11

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency <u>Department of State</u>	New budget authority (P.L. <u>94-362</u>)	\$ <u>40,000,000</u>
Bureau <u>International Organization Affairs</u>	Other budgetary resources	_____
Appropriation title & symbol Contributions for International Peacekeeping Activities 1971124	Total budgetary resources	<u>40,000,000</u>
OMB identification code: <u>19-1124-0-1-152</u>	Amount proposed for rescission	\$ <u>12,000,000</u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____	
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification:

Public Law 94-37, approved June 19, 1975, "authorized to be appropriated to the Department of State such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations peacekeeping forces in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter, notwithstanding the limitation on contributions to international organizations contained in Public Law 92-544 (86 Stat. 1109, 1110)." The 1977 Budget contained an estimate of \$45,000,000 for the U.S. share of those expenses to be paid from funds appropriated for fiscal year 1977. The Foreign Relations Authorization Act, Fiscal Year 1977, (Public Law 94-350, approved July 12, 1976) authorized to be appropriated to the Department of State for fiscal year 1977 for "International Organizations and Conferences", \$342,460,453, an amount sufficient to allow \$45,000,000 to be appropriated for "Contributions for international peacekeeping activities."

The Department of State Appropriation Act, 1977 (Title I, Public Law 94-362, approved July 14, 1976) appropriated \$40,000,000 for fiscal year 1977 "for payments, not otherwise provided for, by the United States for expenses of United Nations peacekeeping forces in the Middle East". From these funds the State Department will pay the U.S. assessed share (approximately 29%) of the expenses of the United Nations Emergency Force (UNEF) in the Sinai and the United Nations Disengagement Observer Force (UNDOF) on the Golan Heights through October 24, 1977. The amount of the appropriation was based on the best estimate, at the time of congressional action, of the U.S. assessed share of the expenses of both peacekeeping forces for the twelve month period ending as indicated above.

On December 21, 1976, the United Nations General Assembly approved a resolution which definitively established these peacekeeping budgets at substantially lower levels than anticipated, resulting in a total U.S. assessment of \$28,000,000. Accordingly, the President has determined that part of the budget authority will not be required to carry out the full objectives or scope of the program for which it is provided, and a rescission of \$12,000,000 is proposed. These funds have been reserved for savings under the Antideficiency Act (31 U.S.C. 665).

Estimated Effects:

The proposed rescission will have no programmatic effects.

Outlay Effect:

There is no outlay effect of this deferral because the funds would not be used if made available.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Contributions for International Peacekeeping Activities

Of the funds appropriated under this head in the Departments of State, Justice, and Commerce, and Judiciary, and Related Agencies Appropriation Act, 1977, \$12,000,000 are rescinded.

DEPARTMENT OF TRANSPORTATION

COAST GUARD

Retired Pay

Of the funds appropriated under this head in the Department of Transportation and Related Agencies Appropriation Act, 1977, \$6,803,000 are rescinded.

Rescission Proposal No: R77-13

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency <u>Small Business Administration</u>	New budget authority <u>\$ 601,600,000</u>
Bureau	(P.L. <u>94-362</u>) <u>539,633,992</u>
Appropriation title & symbol	Other budgetary resources
Business Loan Investment Fund 73X4154 (Section 7(a) Regular Business Loan Program)	Total budgetary resources <u>1,141,233,992</u>
OMB identification code: <u>73-4154-0-3-403</u>	Amount proposed for rescission <u>\$ 60,000,000</u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

The Regular Business Loan program pursuant to section 7(a) of the Small Business Act, as amended (15 U.S.C. 636), provides direct and guaranteed loan assistance to those small businesses which are unable to obtain financing in the private credit market on reasonable terms. Since 1975, the private credit market has been improving and providing small business with greater access to debt financing at lower interest rates. It is expected that these credit conditions will continue in 1977 and 1978. The Congress added \$95 million to the 1977 budget request of \$100 million for the 7(a) direct loan program in the State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1977, (enacted in July, 1976). A current assessment is that \$60 million of these funds are not now needed in light of present credit market conditions and are, therefore, proposed for rescission. This proposal would reduce the loan level for this program in 1977 from \$195 million to \$135 million. The proposed revision in the 1977 direct loan level is in line with the level requested for 1978.

Estimated Effects

This proposal will result in approximately 1,400 fewer direct loans to small businesses in 1977. However, the revised program level of \$135 million would still provide over 3,200 direct loans to small businesses in 1977 as compared to 2,673 loans actually approved in 1976. The revised program level also represents a 20 percent increase (+\$23 million) above the \$112 million in direct loan funds provided in 1976.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1978 Budget	
1. Budget outlay estimate for 1977	\$ 335.3
2. Outlay savings, if any, included in the budget outlay estimate	42.0
Current Outlay Estimates for 1977	
3. Without rescission	\$377.3
4. With rescission	<u>335.3</u>
5. Current outlay savings (line 3 - line 4)	42.0
Outlay Savings for 1978	18.0

R77-13

SMALL BUSINESS ADMINISTRATION

Business Loan and Investment Fund

Of the funds appropriated under this head in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1977, \$60,000,000 are rescinded.

SUPPLEMENTARY REPORT
Report Pursuant to Section 1014 (c) of P.L. 93-344

This supplementary deferral report revises a previously submitted deferral report, Deferral No. D77-2, transmitted in a special message to Congress on October 1, 1976.

The amount to be deferred in FY 1977 for the Special Foreign Currency Program account of the Foreign Agricultural Service is now \$1,742,928, an increase of \$133,320 over the previously proposed deferral of \$1,609,608. This change reflects an adjustment in unobligated balances brought forward on October 1, 1976, from an estimated to an actual basis.

Deferral No: D77-2A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency U.S. Department of Agriculture	New budget authority \$ _____ (P.L. _____)
Bureau Foreign Agricultural Service	Other budgetary resources <u>*2,242,928</u>
Appropriation title & symbol	Total budgetary resources <u>*2,242,928</u>
Special Foreign Currency Program 12X2901	Amount to be deferred: Part of year \$ _____ Entire year <u>*1,742,928</u>
OMB identification code: 12-2901-0-1-352	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

Title I, Sec. 104 of P.L. 480, the Agricultural Trade Development and Assistance Act of 1954 authorizes the use of foreign currencies (acquired from the sale of U.S. farm products under Title I) to carry out programs for developing new markets for U.S. agricultural commodities. The funds appropriated are used to purchase excess foreign currencies necessary to carry out the program. The funds are available until expended, and the unused balance is carried over into the next year. The amount of funds used each year is dependent upon the availability of the U.S.-owned currencies and the availability of worthwhile market development projects in the foreign countries. Current indications are that no more than \$500 thousand of the reserved balances brought forward can be utilized effectively in FY 1977. This deferral action is taken under provisions of the Antideficiency Act (31 USC 665) that authorize the establishment of reserves for contingencies.

Estimated Effects

No programmatic or budgetary impact results from this deferral action. Since the funds are used to purchase currencies already owned by the U.S., any outlays shown under this account would be offset by the receipt of a like amount in another account.

Outlay Effects

There is no outlay effect of this deferral because the funds would not be used if made available.

* Revised from previous report.

SUPPLEMENTARY REPORT
Report Pursuant to Section 1014(c) of P.L. 93-344

This report revises Deferral No. D77-5, transmitted to the Congress on October 1, 1976, and printed as House Document No. 94-650.

This revision reflects a change in the amount deferred from \$145,665 to \$239,139. This increase in the deferral of \$93,474 results from an identical increase in the unobligated balance (from an estimate made in the connection with initial apportionment for 1977 to the actual unobligated balance carried in 1977).

Deferral No: D77-5A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Agriculture	New budget authority (18 USC 711) \$ 280,000
Bureau Forest Service	Other budgetary resources * 234,139
Appropriation title & symbol Licensee Programs, Forest Service 12X5214	Total budgetary resources * 514,139
	Amount to be deferred:
	Part of year \$ _____
	Entire year * 239,139
OMB Identification code: 12-5214-0-2-302	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____

* **Justification:**

Royalties collected under licenses for use of the characters "Smokey Bear" and "Woodsy Owl" are permanently appropriated and utilized for furthering the nationwide forest fire prevention campaign and promoting the wise use of the environment as provided by the Act of May 23, 1952 (18 USC 711), and for Woodsy Owl, 31 USC 488b-3--6. The total budgetary resources available in this program for fiscal year 1977 consist of \$234,139 in actual receipts earned in fiscal year 1976 and transition quarter and \$280,000 in receipts anticipated for fiscal year 1977. In keeping with routine financial management practices maintained over the years, \$239,139 of the total budgetary resources available has been reserved. The reserve is justified on two grounds.

First, the reserve contributes to a consistent, stable program level from year to year which, in turn, promotes more efficient operations. The fiscal year 1977 program is being funded, in part, from reserved balances carried forward from last year. The 1978 program will be partially funded by the estimated receipts being deferred in fiscal year 1977.

* Revised from previous report.

Second, reservation of funds is required to avoid the possibility of a violation of the Antideficiency Act (31 USC 665, (a), (b), (h)). A violation of the sections cited could occur if all the estimates of receipts now deferred were made available and obligated while estimated receipts were not fully realized.

This reserve action is taken under provisions of the Antideficiency Act that authorize the establishment of reserves for contingencies (31 USC 665(c) (2)).

Estimated Effects:

The funds made available are sufficient to carry out 1977 program objectives. If the deferred funds were made available for use and obligated in 1977, the 1978 program level would be below that conducted in the current year because some portion of 1977 receipts normally carried forward into the next fiscal year would not be available.

Release of deferred funds would necessitate development of a plan for an expanded 1977 program.

Outlay Effect

No effect on outlays results from this deferral action.

Deferral No: D77-45

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Commerce	New budget authority \$ _____ (P.L. _____)
Bureau General Administration	Other budgetary resources <u>1,540,063</u>
Appropriation title & symbol Special Foreign Currency 13X0160	Total budgetary resources <u>1,540,063</u>
	Amount to be deferred:
	Part of year \$ _____
	Entire year <u>654,000</u>
OMB identification code: 13-0160-0-1-403	/Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

This account is used to supplement the activities of Domestic and International Business Administration, the National Bureau of Standards, and the National Oceanic and Atmospheric Administration by providing U.S.-owned foreign currencies in those countries where the Department of the Treasury determines that the supply of currencies is in excess of the normal requirements of the U.S. Government. In fiscal year 1977, the "excess" currency countries are: Burma, Guinea, India, Pakistan, Tunisia and Egypt.

There is a total of \$1,540,063 in unobligated balances, available until expended, remaining in this account. An estimated \$886,063 will be needed during fiscal 1977. The remaining funds of \$654,000 are to be deferred throughout fiscal 1977 for use in future years. These funds have been reserved for contingencies under the Antideficiency Act (31 U.S.C. 665).

Estimated Effects

None. Planned activities in 1977 can be conducted within the amount made available. The funds remaining after 1977 will be used to meet future requirements.

Outlay Effects

There is no outlay effect of this deferral.

Deferral No: D77-46

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Commerce	New budget authority (P.L. 94-362)	\$ 566,215,000 ^{1/}
Bureau National Oceanic and Atmospheric Administration	Other budgetary resources	62,781,270
Appropriation title & symbol Operations, Research and Facilities (Ship Construction) 13X1450	Total budgetary resources	628,996,270
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	7,500,000
OMB identification code: 13-1450-0-1-306	/Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification

This deferral of \$7.5 million will delay funding until 1978 for the construction of two new (Class IV) fishery research vessels provided in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1977 (P.L. 94-362). The funds are available until expended. Construction of the two new research vessels was provided for in order to give the National Oceanic and Atmospheric Administration (NOAA) additional ship-days to conduct the expanded fisheries resources conservation, assessment, and management efforts required by section 304 of the United States Fisheries Management and Conservation Act of 1976, (P.L. 94-265). The deferral is appropriate because this expenditure of funds is not actually needed at this time to provide the additional ship-days.

Estimated Effects

The construction delay should have no adverse impact on the fisheries resource program in that the need for additional days at sea can be met by five other existing NOAA ships which will be upgraded.

^{1/} Does not include \$55,000 transfer to General Administration, Department of Commerce for water resources planning activity.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1978 Budget:

1. Budget outlay estimate for 1977.....	\$572.7
2. Outlay savings, if any, included in the budget outlay estimate.....	3.8
Current Outlay Estimate for 1977	
3. Without deferral.....	576.5
4. With deferral.....	<u>572.7</u>
5. Current outlay savings (line 3 minus line 4).....	3.8
Outlay Savings for 1978.....	-0.1
Outlay Savings for 1979.....	-3.7

Deferral No: D77-47

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Commerce	New budget authority \$ _____ (P.L. _____)
Bureau Maritime Administration	Other budgetary resources <u>362,811,241</u>
Appropriation title & symbol Ship Construction 13X1708	Total budgetary resources <u>362,811,241</u>
OMB identification code: 13-1708-0-1-406	Amount to be deferred: Part of year \$ _____ Entire year <u>200,900,000</u>
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

This appropriation, available until expended, provides subsidies to U.S. shipyards for the construction and reconstruction of ships for foreign trade.

The deferral is based on the current projections of realizable demand for U.S. shipbuilding. Anticipated new subsidized shipbuilding contracts through the end of fiscal 1977 can be funded within the \$161,911,241 apportioned for this period.

The amount being deferred has been reserved for contingencies under the Antideficiency Act (31 U.S.C. 665).

Estimated Effects

The deferral will not delay planned construction or conversion of subsidized ships and will not affect the international competitive position of U.S. shipyards.

Outlay Effect

There is no outlay effect of this deferral.

D77-10B

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of P.L. 93-344

This report revises Deferral No. D77-10A transmitted to the Congress on December 3, 1976, and printed in the Federal Register of December 8, 1976, (Volume 41, No. 237, Part II).

This revision reflects a net increase of \$51,768,837 in the amount to be deferred in fiscal year 1977 for the Military Construction and Family Housing, Defense appropriations. The increase is due to cost savings generated by favorable bids that were experienced during fiscal year 1976. The total amount now deferred is \$387,651,837.

The decrease of \$371,399,937 in total budgetary resources is the difference between the estimated and actual unobligated balances brought forward on October 1, 1976.

Deferral No: D77-10B

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. <u>94-367</u>)	\$3,451,306,000
Bureau	Other budgetary resources	2,974,575,746*
Appropriation title & symbol See Coverage section below	Total budgetary resources	6,425,881,746*
	Amount to be deferred:	
	Part of year	\$ 387,651,837*
	Entire year	_____
OMB identification code: See Coverage section below	Legal authority (in addition to sec. 1013):	
	<input checked="" type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input checked="" type="checkbox"/> Annual	Type of budget authority:	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input checked="" type="checkbox"/> Appropriation	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Coverage	Appropriation	OMB Identifi-	Amount
Account title	Symbol	cation code 1/	Deferred *
Military Construction, Army	21X2050	21-2050-0-1-051	\$135,550,000
Military Construction, Navy	17X1205	17-1205-0-1-051	74,527,904
Military Construction, Air Force	57X3300	57-3300-0-1-051	41,380,000
Military Construction, Defense Agencies	97X0500	97-0500-0-1-051	11,138,000
Military Construction, Army National Guard	21X2085	21-2085-0-1-051	42,054,000
Military Construction, Air National Guard	57X3830	57-3830-0-1-051	21,240,000
Military Construction, Army Reserve	21X2086	21-2086-0-1-051	31,422,000
Military Construction, Naval Reserve	17X1235	17-1235-0-1-051	14,491,000
Military Construction, Air Force Reserve	57X3730	57-3730-0-1-051	8,504,933
Family Housing, Defense	97X0700	97-0701-0-1-051	7,344,000
Family Housing, Defense	9770700	97-0701-0-1-051	-0-
			<u>387,651,837</u>

Justification

The above amounts in the listed no-year appropriations are currently deferred under provisions of the Antideficiency Act (31 U.S.C. 665) which authorizes the establishment of reserves for contingencies.

* Revised from previous report.

D77-10B

2

Justification (continued)

Due to the long period of time required to construct facilities, the Congress makes appropriations for this purpose available until expended. The above funds are deferred due to administrative delays, such as project designs not being completed and incomplete coordination of projects with either other Federal agencies or local government agencies. Funds will be apportioned for individual projects throughout the year upon completion of project design and/or coordination.

Estimated effects

These deferrals have no programmatic or budgetary effect because the funds could not be obligated at this time, even if they were made available.

Outlay effect

There is no outlay effect resulting from this deferral since the funds could not be used if made available.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of P.L. 93-344

This report revises Deferral No.D77-24, transmitted to the Congress on October 1, 1976, and printed as House Document No.94-650.

This revision reflects a change in the amount deferred from \$463,585 to \$8,080,232. This increase in the deferral results from an identical increase in the unobligated balance available to this program. The actual unobligated balance that developed was \$7,616,647 higher than had been originally estimated because of a deobligation of funds.

Deferral No: D77-24ADEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency	Department of Transportation	New budget authority	\$ -0-
Bureau	Federal Aviation Administration	(P.L. _____)	* 8,116,232
Appropriation title & symbol:		Other budgetary resources	* 8,116,232
Civil Supersonic Aircraft Development Termination, 69X0106		Total budgetary resources	* 8,116,232
Civil Supersonic Aircraft Develop- ment, 69X1358		Amount to be deferred:	\$ -0-
		Part of year	
		Entire year	* 8,080,232
OMB identification code: 69-0106-0-1-405		Legal authority (in addition to sec. 1013):	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input checked="" type="checkbox"/> Antideficiency Act	
		<input type="checkbox"/> Other _____	
Type of account or fund:		Type of budget authority:	
<input type="checkbox"/> Annual		<input checked="" type="checkbox"/> Appropriation	
<input type="checkbox"/> Multiple-year _____ (expiration date)		<input type="checkbox"/> Contract authority	
<input checked="" type="checkbox"/> No-year		<input type="checkbox"/> Other _____	

* Coverage	Total Budgetary Resources	Amount Deferred
Civil Supersonic Aircraft Development Termination	\$ 812,283	\$ 776,283
Civil Supersonic Aircraft Development	7,303,949	7,303,949
Total	\$8,116,232	\$8,080,232

Justification

This account finances the termination of the supersonic transport development program. The total cost of settlement of contractor claims and closeouts, airline refunds, completion of specifically designated technology programs, and necessary governmental administrative costs incidental to these activities is included. These funds were appropriated by the Department of Transportation and Related Agencies Appropriation Acts, 1971 and 1972. Because of the difficulty in ending such a complex and massive undertaking, termination has taken a number of years. Settlement is being accomplished as quickly as possible consistent with the legitimate claims of the contractors and the protection of government interests.

Estimated Effects

This deferral action has no programmatic effect.

Outlay Effect

There is no outlay effect of this deferral because the funds would not be used if made available.

* Revised from previous report.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of P.L. 93-344

This report revises Deferral No. D77-25, transmitted to the Congress on October 1, 1976, and printed as House Document No. 94-650.

This revision reflects a change in the amount deferred from \$276,101,000 to \$287,095,484. This increase in the deferral of \$10,994,484, results from an identical increase in the unobligated balance (from an estimate made in connection with initial apportionment for 1977 to the actual unobligated balance carried into 1977).

Estimated Effects

This deferral action is consistent with normal operations for this program. The amount deferred could not be economically used if made available in fiscal 1977 because of the planned multi-year procurement, construction and installation cycle.

Outlay Effect

There is no outlay effect of this deferral because the funds would not be used if made available.

Deferral No: D77-48

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Transportation	New budget authority (P.L. _____) \$ _____
Bureau Federal Highway Administration	Other budgetary resources \$ <u>91,003,333^{1/}</u>
Appropriation title & symbol Trust Fund Share of other Highway Programs (Great River Road) 69x8009	Total budgetary resources \$ <u>91,003,333^{1/}</u>
	Amount to be deferred: Part of year \$ _____
	Entire year \$ <u>31,250,000</u>
OMB identification code: 69-8009-0-7-404	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual 9-30-77 ...\$9,753,333 9-30-78 ...\$25,000,000 <input checked="" type="checkbox"/> Multiple-year 9-30-79 ...\$25,000,000 9-30-80 ...\$31,250,000 ^{2/} <input type="checkbox"/> No-year (expiration date)	Type of budget authority: <input type="checkbox"/> Appropriation <input checked="" type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

The National Scenic and Recreational Highway (Great River Road) was authorized by the Federal-Aid Highway Act of 1973 for the purpose of constructing or reconstructing a two-lane scenic highway in the ten states bordering the Mississippi River. The Great River Road spans over 2,000 miles.

The contract authority provided for this program is liquidated through both the Highway Trust Fund and the General Fund. A total of \$121,250,000 in contract authority has been made available through FY 1977 for the program. Of this total, \$90,000,000 was made available in the Federal-Aid Highway Act of 1973, and \$31,250,000 (the amount to be deferred) was made available in the Federal-Aid Highway Act of 1976. The Highway

Trust Fund Share of the \$121,250,000 total is \$91,250,000, with the balance of \$30,000,000 constituting the General Fund Share. The table below displays the origin of the \$121,250,000 in contract authority provided through 1977.

^{1/}This amount is the portion of "Trust Fund Share of other Highway Programs" made available for the Great River Road. Total funds available to the "Trust Fund Share of Other Highway Programs" is \$141,097,124.

^{2/}This amount is deferred.

(\$ in thousands)

<u>Origin of Contract Authority</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>TQ</u>	<u>1977</u>	<u>Total</u>
1973 Highway Act:						
Trust Fund	10,000	25,000	25,000	--	--	60,000
General Fund	10,000	10,000	10,000	--	--	30,000
1976 Highway Act:						
Trust Fund	--	--	--	6,250	25,000	31,250
Totals	20,000	35,000	35,000	6,250	25,000	121,250

In fiscal year 1976, \$90,000,000, the full amount of contract authority available at that time, was apportioned for use and allotted to the States (with the exception of a \$10 million DOT discretionary reserve).^{3/} However, as of September 30, 1976, the States had obligated only \$370,000 (\$246,667 Trust Fund and \$123,333 General Fund).

A deferral of the \$31,250,000 of contract authority provided by the 1976 Highway Act is proposed for several reasons:

- State plans for fiscal year 1977 indicate that no more than \$34,630,000 will be obligated, falling far short of exhausting the original \$90 million of contract authority provided in the 1973 Highway Act. The additional \$31,250,000 provided in the 1976 Highway Act is clearly not needed at this time and should be deferred.
- Present plans envision using only the original \$90 million authorized by the 1973 Highway Act.^{4/} These funds are to be applied to engineering and design and to congressionally-expressed emphasis areas. As noted in House conference Report No. 94-1017, these emphasis areas include "acquisition of areas of archaeological, scientific, or historical importance, necessary easements for scenic purposes, and the construction of roadside rest areas and other appropriate facilities."

The Department of Transportation is currently gathering data on the costs of these emphasis areas. If it is apparent that costs associated with the types of activities mentioned above exceed \$90 million, additional contract authority may be proposed for obligation up to a maximum of the additional funding provided in the 1976 Highway Act.

Outlay Effect

There is no outlay effect of this deferral because the funds would not be expected to be used if made available.

^{3/} Some States may be unable to obligate, in a timely fashion, all funds allocated to them. Therefore, if DOT allocated the entire \$90.0 million among the States, some of the funds might lapse. The DOT discretionary reserve was established to provide the balance of funds to those States which have made the most progress in obligating their allocated funds (and, thereby, reducing the risk of a funding lapse).

^{4/} A general provision is being proposed in the 1978 budget that would permit obligational control at the \$90 million level.

Deferral No: D77-49

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Energy Research and Development Administration	New budget authority (P.L. 94-355 & P.L. 94-373)	\$ 4,668,838,000
Bureau	Other budgetary resources	1,577,109,000
Appropriation title & symbol	Total budgetary resources	6,245,947,000
Operating Expenses 89X100	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	7,500,000
OMB identification code: 89-0100-0-1-999	Legal authority (in addition to sec. 1013):	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Antideficiency Act	
Type of account or fund: <input type="checkbox"/> Annual	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Multiple-year _____ (expiration date)	Type of budget authority:	
<input checked="" type="checkbox"/> No-year	<input checked="" type="checkbox"/> Appropriation	
	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Justification

This deferral withholds funding for an Energy Extension Service provided in the Department of the Interior and Related Agencies Appropriation Act, 1977 (P.L. 94-373). Because the fiscal 1977 authorization legislation for the Energy Research and Development Administration has not been enacted, there does not now exist a sufficient legislative basis on which to apportion funds for an Energy Extension Service.

Estimated Effects

Initiation of an Energy Extension Service will be delayed until such time as a necessary legislative authorization is enacted into law. Congressional disapproval of the deferral will not result in initiation of the program because of the lack of authorizing legislation.

Outlay Effect

There is not expected to be an outlay effect of this deferral. An Energy Extension Service is not now included in the 1977 ERDA Operating expenses outlay estimate. Adjustments to outlays would need to be considered if the program becomes authorized.

Deferral No: D77-50

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency <u>Energy Research and Development Administration</u>	New budget authority (P.L. <u>94-355</u> & P.L. <u>94-373</u>)	\$ <u>4,668,838,000</u>
Bureau	Other budgetary resources	<u>1,577,109,000</u>
Appropriation title & symbol Operating Expenses 89X0100	Total budgetary resources	<u>6,245,947,000</u>
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	<u>12,000,000</u>
OMB identification code: <u>89-0100-0-1-999</u>	Legal authority (in addition to sec. 1013):	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Antideficiency Act	
Type of account or fund:	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Annual	Type of budget authority:	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input checked="" type="checkbox"/> Appropriation	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Justification

This action defers \$12.0 million in budget authority provided for lower-priority long lead-time research activities in the Magnetic Fusion Energy program until an assessment of the most appropriate timing for these activities is completed. The funds could be more usefully applied once an assessment is made of what information is required and when it is required to most efficiently meet the objectives of the magnetic fusion energy program.

Estimated Effects

The 1977 Magnetic Fusion Energy program is planned for a level of \$224 million in outlays. The effects on program outlays of this deferral are as follows: Outlays for confinement systems will be reduced by \$1.0 million to a level of \$85.2 million; development and technology efforts will be reduced by \$3.5 million to a level of \$48.0 million; applied plasma physics research will be reduced by \$.5 million to a level of \$47.4 million; and reactor projects will be reduced by \$1.0 million to a level of \$43.6 million. This overall reduction of 2.6 percent in the level of effort for the Magnetic Fusion Energy program in FY 1977, maintains an increase of \$85 million (or a 60 percent increase) over the FY 1976 level and will not delay the potential availability of fusion-generated commercial electrical power.

D77-50

2

Outlay Effect (in millions of dollars)Comparison with President's 1978 Budget:

1. Budget outlay estimate for 1977.....	\$4217.6
2. Outlay savings, if any, included in the budget outlay estimate.....	6.0
Current Outlay Estimates for 1977:	
3. Without deferral.....	4223.6
4. With deferral.....	4217.6
5. Current outlay savings (line 3 - line 4).....	\$ 6.0
Outlay savings for 1978.....	\$ -6.0

Deferral No: D77-51

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Energy Research and Development Administration	New budget authority (P.L. 94-355 & P.L. 94-373)	\$ <u>4,668,838,000</u>
Bureau	Other budgetary resources	<u>1,577,109,000</u>
Appropriation title & symbol Operating Expenses 89X0100	Total budgetary resources	<u>6,245,947,000</u>
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	<u>5,400,000</u>
OMB identification code: 89-0100-0-1-999	Legal authority (in addition to sec. 1013):	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Antideficiency Act	
Type of account or fund:	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Annual	Type of budget authority:	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input checked="" type="checkbox"/> Appropriation	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Justification

This deferral delays funding for Program Support-Community Operations provided by the Public Works for Water and Power Development and Energy Research Appropriation Act, 1977, (P.L. 94-355). These funds are being deferred because this special assistance--intended to be provided to the cities of Oak Ridge, Tennessee, Los Alamos, New Mexico, and Richland, Washington, and the counties around Oak Ridge and Los Alamos--is not presently needed.

Of the amount deferred, \$1.7 million was to be provided for the schools at Oak Ridge, Los Alamos, and Richland in the event that funds made available to these schools in the past through the School assistance for federally-affected areas (impact aid) program of the Department of Health, Education, and Welfare would not be available. Impact aid funds will be available so that the substitute amounts will not be needed this year.

The remainder of the deferral (\$3.7 million) was intended for special payments to the city of Oak Ridge and the counties around Oak Ridge and Los Alamos. The payments are not needed by the counties in fiscal 1977. These communities will receive sufficient special aid in 1977 through the Atomic Energy Act of 1954, as amended, (42 U.S.C. 2208) (Section 168) from payments intended to offset the loss of tax revenues incurred because of the presence of ERDA facilities. (Tax Loss provisions) These counties have not

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qualified for payments intended to offset any extra costs to the communities incurred because of the presence of ERDA facilities (Special Burden provisions). In addition, the special payment to Oak Ridge, Tennessee, is reduced because recent tax receipts from Japanese facilities of \$2.2 million offset the need for Federal assistance in fiscal 1977.

Estimated Effects

The \$1.7 million provided as a substitute for impact aid and the remaining \$3.7 million--which in the absence of this deferral would be distributed--will be available to finance general requirements of the program in 1978.

<u>Outlay Effect</u> (in millions of dollars)	
<u>Comparison with President's 1978 Budget:</u>	
1. Budget outlay estimate for 1977.....	\$4,217.6
2. Outlay savings, if any, included in the budget outlay estimate.....	5.4
<u>Current Outlay Estimates for 1977:</u>	
3. Without deferral.....	4,223.0
4. With deferral.....	4,217.6
5. Current outlay savings (line 3 - line 4).....	\$ 5.4
Outlay savings for 1978.....	-5.4

Deferral No: D77-52

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Energy Research and Development Administration	New budget authority (P.L. 94-355 & P.L. 94-373)	\$4,668,838,000
Bureau	Other budgetary resources	1,577,109,000
Appropriation title & symbol Operating Expenses 89X0100	Total budgetary resources	6,245,947,000
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	8,200,000
OMB identification code: 89-0100-0-1-999	Legal authority (in addition to sec. 1013):	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Antideficiency Act	
Type of account or fund: <input type="checkbox"/> Annual	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Multiple-year _____ (expiration date)	Type of budget authority:	
<input checked="" type="checkbox"/> No-year	<input checked="" type="checkbox"/> Appropriation	
	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Justification

This deferral delays \$8.2 million (from a total of \$189.2 million in budget authority available for this program) for the biomedical and environmental research program provided in the Public Works for Water and Power Development and Energy Research Appropriation Act, 1977. The deferral reduces by half the funds available for the environmental policy analysis function, the National Coal Utilization Assessment, and multi-technology integrated assessments. The environmental policy analysis function is intended to review the impact on the energy supply of proposed environmental legislation, government policies, and regulations. The activity is not presently defined well enough to make the best use of all the available funds. It is appropriate that full-funding for this activity be delayed while plans for the efficient use of the deferred funds are developed. Funds for use in developing the National Coal Utilization Assessment and multi-technology integrated assessments are deferred because (1) the coal utilization study, as presently planned, is too broad in scope to achieve optimal benefits and (2) acceptably firm program plans for the multi-technology studies do not exist.

Estimated Effects

The effects of this deferral are as follows:

- The environmental policy analysis function will not, as the result of the funds deferred, have full-funding until the activities to be performed are more adequately defined. Plans that allow for the efficient use of the deferred funds are not expected to be developed before 1978. The deferral will result in a shift in emphasis away from longer-term studies and support for the National Laboratories toward shorter-term, in-house reviews of environmental regulatory, policy, and legislative proposals.

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--The scope of the National Coal Utilization Assessment will be reduced in order to meet only those information needs unfulfilled by earlier studies. The multi-technology studies will be slowed while firm program plans--including the formation of clearly-defined objectives--are developed and reviewed. Regional environmental analyses will be somewhat slowed by this deferral as will liaison efforts by ERDA with the State and regional environmental and energy agencies.

Outlay Effect (in millions of dollars)

Comparison with President's 1978 Budget:

1. Budget outlay estimate for 1977.....	\$4,217.6
2. Outlay savings, if any, included in the budget outlay estimate.....	6.2

Current Outlay Estimates for 1977:

3. Without deferral.....	4,223.8
4. With deferral.....	<u>4,217.6</u>
5. Current outlay savings (line 3 - line 4).....	\$ 6.2

Outlay savings for 1978.....	-6.2
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[FR Doc.77-2236 Filed 1-19-77;11:58 am]