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DEPARTMENT OF COMMERCE  
1977 SUPPLEMENTALS REQUESTED

(In thousands of dollars)

	<u>BUDGET AUTHORITY</u>	<u>OUTLAYS</u>
Bureau of the Census:		
Development of social indicators.....	\$659	\$627
Bureau of Economic Analysis:		
Develop qualitative measures in Gross National Product.....	274	267
National Oceanic and Atmospheric Administration:		
Operations research and facilities: Weather Modification.....	850	835
Coastal Zone Management: Additional Grants.....	31,150	14,835
Coastal Energy Impact Fund.....	146,000	71,450
National Fire Prevention and Control Administration:		
Facilities.....	<u>5,000</u>	<u>3,000</u>
Total, Department of Commerce.....	183,933	91,014





DEPARTMENT OF COMMERCE  
1978 Budget  
Mandatory Program Increases  
(Dollars in thousands)

	<u>1978 Increases</u>	
	<u>Perm.</u>	<u>Amount</u>
	<u>Pos.</u>	
<u>General Administration:</u>		
Privacy Act Recordkeeping responsibilities.....	7	\$134
<u>Bureau of the Census:</u>		
Develop statistical requirements for the Trade Act of 1974....	13	293
1977 Economic censuses.....	...	9,483
1978 Census of Agriculture.....	31	5,116
1980 Decennial census.....	...	12,000
Data processing equipment.....	...	6,119
General administration associated with the above.....	2	1,105
Other capital outlays.....	...	360
Subtotal, Bureau of the Census.....	<u>46</u>	<u>34,476</u>
<u>Bureau of Economic Analysis:</u>		
Computer replacement.....	...	261
<u>Domestic and International Business Administration:</u>		
Establish energy material allocation system pursuant to Sections 102 and 104 of the Energy Policy and Conservation Act.....	12	310
<u>National Oceanic and Atmospheric Administration:</u>		
Relocate Southeast Utilization Research Center.....	...	894
<u>Environmental Satellite Program:</u>		
TIROS-N procurement and launch.....	...	8,914
GOES procurement and launch.....	...	3,205
GOES data collection units.....	...	202
Payment to NASA for increased launch costs.....	...	1,689
Subtotal, Environmental Satellite Program.....	...	14,010
First GARP global experiment.....	...	699
Great Lakes Laboratory.....	...	1,846
Implement extended jurisdiction legislation.....	<u>29</u>	<u>7,188</u>
Subtotal, National Oceanic and Atmospheric Adminis.....	<u>29</u>	<u>24,637</u>
<u>National Fire Prevention and Control Administration:</u>		
Data analysis and computer support for new States added to the Fire Information System in 1977.....	1	275
<u>Patent and Trademark Office:</u>		
Implement Patent Cooperation Treaty.....	21	478
Additional patent examining staff.....	...	1,278
Subtotal, Patent and Trademark Office.....	<u>21</u>	<u>1,756</u>
<u>National Bureau of Standards:</u>		
Equipment depreciation payment.....	...	163
<u>Maritime Administration:</u>		
Ship construction subsidies.....	...	68,000
Operating differential subsidies.....	...	+9,928
Subtotal, Maritime Administration.....	...	<u>77,928</u>
Total, mandatory increases.....	116	139,940



DEPARTMENT OF COMMERCE

1978 BUDGET REQUEST TO OMB

SUMMARY OF OTHER THAN MANDATORY PROGRAM INCREASES

(In thousands of dollars)

	PERM. POS.	AMOUNT
<b>General Administration:</b>		
Energy and environmental policy research.....	2	\$640
Personnel management evaluation system enhancements.....	6	165
ADP resource management improvements.....	3	80
Arab boycott reporting and other work load requirements of the Office of General Counsel.....	4	75
Foreign investment data collection program.....	3	77
International commodities policy development.....	2	49
Local public works program evaluation.....	...	310
Total, General Administration.....	20	1,396
<b>Bureau of the Census:</b>		
Inventory data improvements.....	16	510
Data on Government finances.....	11	235
Methods test panel for population statistics.....	11	457
Monthly issue of status.....	...	115
General Administration of above.....	...	5
Total, Bureau of the Census.....	38	1,322
<b>Bureau of Economic Analysis:</b>		
Environmental studies program expansion.....	14	331
Balance of payment methodology and statistical supplement.....	6	154
Total, Bureau of Economic Analysis.....	20	485

	PERM. POS.	<u>AMOUNT</u>
Economic Development Administration:		
Supplemental grants to states.....	...	\$20,000
Local public works program evaluation.....	...	<u>3,121</u>
Total, Economic Development Administration.....	...	23,121
Domestic and International Business Administration:		
Foreign Buyers Program.....	7	115
Energy conservation industry association program.....	8	173
Administrative support.....	<u>...</u>	<u>24</u>
Total, Domestic and International Business Administration.....	15	312
United States Travel Service:		
Coast increases due to inflation.....	...	279
National Oceanic and Atmospheric Administration:		
Weather and climate programs.....	138	10,421
Ocean programs.....	147	23,941
Sand Point Facilities construction.....	2	15,500
Coastal zone management grants.....	...	21,950
Energy impact fund.....	...	39,000
Other.....	<u>44</u>	<u>6,071</u>
Total, National Oceanic and Atmospheric Administration.....	322	116,883



	<u>PERM.</u> <u>POS.</u>	<u>AMOUNT</u>
<b>National Fire Prevention and Control Administration:</b>		
Education and training.....	22	\$2,035
National fire data center.....	1	320
Research and development.....	1	553
General administration.....	9	283
Total, National Fire Prevention and Control Administration.....	<u>33</u>	<u>3,191</u>
<b>Patent and Trademark Office:</b>		
Replacement of computer system.....	5	836
<b>Science and Technical Research:</b>		
<b>National Bureau of Standards:</b>		
Development of new basic measurement techniques, standard reference materials and applied measurement services to insure safeguarding and accountability of nuclear materials.....	13	1,000
Development of standards calibration methods and measurement procedures for six most widely-used methods of nondestructive evaluation.....	4	300
Initiation of operational voluntary laboratory accreditation program.....	13	750
Development of guidelines and standards for access control, security auditing and data integrity in Federal computer systems.....	2	450
Modification of general purpose laboratory space to insure safety of employees.....	...	1,422
Continuation of program to upgrade and modernize NBS equipment.....	...	432
Total, National Bureau of Standards.....	<u>32</u>	<u>4,354</u>
<b>National Technical Information Service:</b>		
Government patents program.....	...	170
Engineering and design study of NTIS operations and equipment.....	...	175
Total, National Technical Information Service.....	...	<u>345</u>

	<u>PERM.</u> <u>POS.</u>	<u>AMOUNT</u>
<b>Office of Telecommunications:</b>		
Development of measurement techniques to determine signal unitting characteristics of microwave antennas.....	3	\$200
Continuation of feasibility studies on use of small earth station satellite networks in U.S.....	<u>1</u>	<u>50</u>
Total, Office of Telecommunications.....	4	250
<b>Maritime Administration:</b>		
Ship construction for two liquified gas carriers (LNG's).....	...	67,000
Research and development.....	...	2,035
Development of waterborne transportation systems.....	8	1,309
National security support capability.....	13	412
Merchant marine academy.....	3	2,044
State marine schools.....	...	750
Use of waterborne transportation systems.....	-2	236
General administration.....	<u>-4</u>	<u>131</u>
Total, Maritime Administration.....	18	73,917
<b>Total, Department of Commerce.....</b>	<b>516</b>	<b>226,691</b>



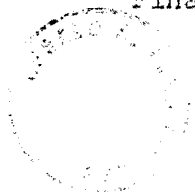
DEPARTMENT OF COMMERCE

FY 1978 Program Reductions  
(Dollars in thousands)

<u>Bureau</u>	<u>Curtailment or Elimination</u>	<u>Productivity</u>	<u>Financing</u>	<u>Completion of Work</u>	<u>Total</u>
<u>General Administration:</u>					
Office of the Chief Economist.....	\$10	...	...	...	\$10
Office of the General Counsel.....	28	...	...	...	28
Office of Policy Development.....	44	...	...	...	44
Office of Audits.....	40	...	...	...	40
Office of Personnel.....	16	...	...	...	16
Office of Environmental Affairs.....	17	...	...	...	17
Office of International Economic Policy and Research.....	124	...	...	...	124
Subtotal, General Administration...	279	...	...	...	279
<u>Bureau of the Census:</u>					
1974 Census of agriculture.....	...	...	...	\$1,965	1,965
1977 Census of governments.....	...	...	...	2,372	2,372
Registration and Voting Survey.....	1,652	...	...	1,172	2,824
Reduce frequency of reports.....	427	...	...	...	427
Statistical assistance to State and local governments.....	110	...	...	...	110
Bilateral reconciliation of foreign trade statistics.....	210	...	...	...	210
Economic census improvements.....	250	...	...	...	250
Productivity.....	...	\$423	...	...	423
Subtotal, Bureau of the Census.....	2,649	423	...	5,509	8,581
<u>Bureau of Economic Analysis</u> .....	...	100	...	...	100
<u>Economic Development Administration:</u>					
Public Works.....	66,050	...	...	...	66,050
Business development.....	7,500	...	...	...	7,500
Planning.....	1,000	...	...	...	1,000
Technical assistance.....	4,500	...	...	...	4,500
Research.....	500	...	...	...	500

<u>Bureau</u>	<u>Curtailment or Elimination</u>	<u>Productivity</u>	<u>Financing</u>	<u>Completion of Work</u>	<u>Total</u>
<u>Economic Development Administration: (cont'd)</u>					
Grants to States.....	\$20,000	...	...	...	\$20,000
Economic adjustment.....	32,000	...	...	...	32,000
Administration.....	1,995	...	...	...	1,995
Subtotal, Economic Development Administration.....	133,545	...	...	...	133,545
<u>Regional Action Planning Commissions:</u>					
Coastal Plains.....	3,372	...	...	...	3,372
Four Corners.....	3,528	...	...	...	3,528
New England.....	2,727	...	...	...	2,727
Old West.....	2,972	...	...	...	2,972
Ozarks.....	4,963	...	...	...	4,963
Pacific Northwest.....	1,598	...	...	...	1,598
Upper Great Lakes.....	1,140	...	...	...	1,140
Offset for new commissions.....	-1,000	...	...	...	-1,000
Subtotal, Regional Action Planning Commissions.....	19,300	...	...	...	19,300
<u>Domestic and International Business Administration:</u>					
Close Sydney Trade Center.....	425	...	...	...	425
Reduce Invest in USA program.....	58	...	...	...	58
Strategic Planning.....	49	...	...	...	49
International Program Support (BDC).....	89	...	...	...	89
Reduce CAGNE Trade fairs.....	160	...	...	...	160
Curtail in-store promotion program.....	173	...	...	...	173
Eliminate foreign class property programs.	55	...	...	...	55
Curtail business and technical services...	125	...	...	...	125
Reduce overhead.....	...	\$26	...	...	26
Subtotal, Domestic and International Business Administration.....	1,134	26	...	...	1,160
<u>Minority Business Enterprise:</u>					
Program development and management.....	...	250	...	...	250
<u>United States Travel Service:</u>					
Eliminate multilingual receptionist program.....	307	...	...	...	307

<u>Bureau</u>	<u>Curtailment or Elimination</u>	<u>Productivity</u>	<u>Financing</u>	<u>Completion of Work</u>	<u>Total</u>
<u>National Oceanic and Atmospheric Administration:</u>					
Reduce capital funding for computers.....	...	...	...	\$1,500	\$1,500
ITOS-I launch.....	\$6,200	...	...	1,619	7,819
TIROS-N launch vehicle.....	...	...	...	2,764	2,764
GOES launch service.....	...	...	...	2,490	2,490
CARP Atlantic Tropical Experiment.....	...	...	...	699	699
Complete International Field Year for the Great Lakes.....	...	...	...	1,846	1,846
Discontinue fish hatchery pollution abatement program.....	500	...	...	...	500
Reduce educational funding support for the Pribilof Islands.....	420	...	...	...	420
Close Port Aransas Fishery laboratory.....	196	...	...	...	196
Close Atmospheric Physics and Chemistry Laboratory.....	1,000	...	...	...	1,000
Discontinue rocketsonde publications.....	100	...	...	...	100
Discontinue Rhode Island fishery activity.	500	...	...	...	500
Discontinue National Climate Research.....	100	...	...	...	100
Discontinue extended jurisdiction boundary services.....	1,500	...	...	...	1,500
Dispose of OREGON.....	395	...	...	...	395
Dispose of BOWERS.....	143	...	...	...	143
Reduce Deepwater Ports activities.....	300	...	...	...	300
Stretch out World Weather program.....	1,000	...	...	...	1,000
Subtotal, National Oceanic and Atmospheric Administration.....	12,354	...	...	10,918	23,272
<u>National Fire Prevention and Control Administration:</u>					
Management research and policy.....	421	...	...	...	421
<u>Patent and Trademark Office:</u>					
Reduce patent printing costs.....	...	\$1,658	...	...	1,658
Finance customer services by fees.....	...	...	\$6,649	...	6,649
Subtotal, Patent and Trademark Office.....	...	1,658	6,649	...	8,307



<u>Bureau</u>	<u>Curtailment or Elimination</u>	<u>Productivity</u>	<u>Financing</u>	<u>Completion of Work</u>	<u>Total</u>
<u>National Bureau of Standards:</u>					
Terminate flow measurements.....	\$580	...	...	...	\$580
Terminate dimensional meteorology program.	378	...	...	...	378
Terminate humidity measurements program...	363	...	...	...	363
Reduce electromagnetic measurements program.....	480	...	...	...	480
Reduce metallurgical materials program....	500	...	...	...	500
Reduce polymeric materials program.....	300	...	...	...	300
Reduce building science and technology program.....	500	...	...	...	500
Subtotal, National Bureau of Standards.....	3,101	...	...	...	3,101
<u>Maritime Administration:</u>					
Reduction in Russian Grain purchases.....	32,170	...	...	...	32,170
Elimination of passenger ship subsidev.....	9,900	...	...	...	9,900
Increase idle ship years.....	4,530	...	...	...	4,530
Eliminate competitive nuclear ship program	575	...	...	...	575
Reduce exploratory research projects.....	35	...	...	...	35
Eliminate SOIS program.....	700	...	...	...	700
Transfer shipbuilding automation systems management to industry.....	300	...	...	...	300
Decrease advanced ship machinery projects.	200	...	...	...	200
Reduced satellite technical services.....	300	...	...	...	300
Reduced level of navigation projects.....	100	...	...	...	100
Research and development administration...	45	...	...	...	45
Improve ODS administration.....	...	\$45	...	...	45
Subtotal, Maritime Administration..	48,855	45	...	...	48,900
Total, Department of Commerce.....	221,945	2,502	6,649	16,427	247,523







PERSONNEL CEILING REQUIREMENTS

## FY 1977 Employment Ceiling

### General Administration

Although Congress desired new funding to carry out the Secretarial Representative program in FY 1977, the Secretary feels strongly enough about the value of the program that we intend to continue funding the program as we did in FY 1976 through the Secretary's Reserve. There is no net change in the number of positions required for GA in 1977; the increase and decrease merely represent a change in financing.

### Bureau of the Census

A total of 23 position are associated with the proposed supplemental, 18 for the production of STATUS and 5 for developing a series of social indicators. The need for these positions is fully discussed in the supplemental justification.

### Bureau of Economic Analysis

A total of 10 positions are requested to carry out the BEA portion of the Quality of Life initiative, also discussed in detail in the supplemental justification.

### Economic Development Administration

Fifteen positions are requested for compliance with Civil Service Commission requirements that persons be switched from temporary to permanent positions which more correctly represent their employment status. In addition, 109 positions are requested to carry out the 1977 program, 69 associated with administering the Congressional add-on and 40 to correct longer term deficiencies in program.

review and monitoring. These latter positions will be funded by reprogramming within the Administration appropriation, and are distributed functionally as follows: public works -- 12, business development -- 4, planning, technical assistance and research -- 11, grants to States -- 2, economic adjustment -- 5, and executive direction and support -- 6.

Project monitoring in all major program areas has been conducted at a marginal level only. Public works construction management and review of planning grant performance are two of the major areas which will require increased attention in 1977. There has also been increased pressure on existing staff to conduct monitoring activity related to the new programs which were added in 1975. These programs were only implemented late in the year in 1975; the volume of approved projects remained relatively low in 1976, with additional approvals late in the year; but now the volume of projects in progress has reached a significant level and requires significant monitoring of activity.

(1) In 1975, \$38 million was approved for Title IX projects; in 1976, an additional \$77 million was approved; the same amount is planned for 1977. A total of almost \$200 million of Title IX projects will have been approved by the end of this year.

(2) Section 304 grants to States project activity is beginning to build up significantly. Processing of 304 projects requires roughly the same level of activity as our

regular program. This in effect represents a deferred requirement, in that funds were approved in 1975 and 1976, with relatively little project activity at that time.

(3) Section 302 planning grants to States and cities have now been in place for more than a year, and now require significantly increased follow-up activity.

These requirements will continue in 1978.

#### Regional Action Planning Commissions

A total of 29 positions are requested for the regional programs. Fourteen of the positions are required for the offices of the Federal Cochairman for the two new commissions assumed to be designated in 1977. The remaining 15 will be distributed among the offices of the Federal Cochairman of the existing commissions. While these positions are nominally associated with the Congressional add-on, we are proposing that they be retained in 1978 in order to provide increased planning, evaluation and regional coordination.

#### Domestic and International Business Administration

Our 1977 request to Congress proposed closing 2 trade centers (-29 positions) and reprogramming resources to meet export licensing work load (+24 positions) and expand studies of foreign investment in the U.S. (+5 positions). Since Congress refused to allow the trade center closing but had no objection to the foreign investment reprogramming, DIBA needs five additional positions to carry out the latter.

The request for seven additional positions for reimbursable programs is associated with the reestablishment of the National Business Council for Consumer Affairs. An executive order setting up the Council is currently under review at OMB. These seven positions will provide staff support to the Council and will be financed by the Secretary's Reserve.

United States Travel Service

A total of eight positions have been identified as associated with the Congressional add-on of \$750,000 for international tourism. However, since we are proposing to rescind \$500,000 of that amount, the net change in personnel requested for 1977 is five, two for the Special markets program, two for international congress sales and one for state and local matching funds.

Similarly, although ten positions are identified for the domestic tourism add-on, we are only requesting six positions to carry out the \$1,000,000 program remaining after the proposed rescission.

Maritime Administration

Fourteen positions are requested to carry out preservation and security work on the GLOMAR EXPLORER on a reimbursable basis from the Navy. The request was discussed in the September 24 memo from Kasputys to Kearney.



National Oceanic and Atmospheric Administration

FY 1977 -- An additional 1215 end-of-year permanent positions are requested for NOAA. Of this request, 995 represent ceiling shortages which accumulated from the time NOAA was established in 1970 through the end of FY 1976. This number consists of 338 temporary employees who are now performing permanent duties and need to be converted into permanent employees and the remaining permanent position shortage of 657 needed to properly carry out NOAA responsibilities. These 995 positions are described in NOAA's August 1, 1976 Personnel Study which has been transmitted to OMB.

The remainder of the 1977 request, 220 permanent positions, is needed to support program increases appropriated or pending in 1977. These include the following:

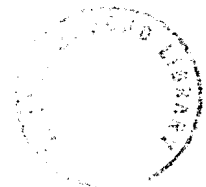
- o Budget increases..... +23
  - MARMAP surveys and analysis (+9)
  - Porpoise population surveys (+3)
  - Ocean dumpsite evaluations (+3)
  - TIROS N satellite data acquisition (+5)
  - SEASAT A development (+3)
  
- o Budgeted decreases..... -131\*
  - Non-recurring programs (-67)
    - (1) DOMES I (-10)
    - (2) Weather programs (-57)
  - Lake Survey Center closing (-15)
  - NOAA Weather Wire Service (-49)
  
- o Congressional add ons..... +19
  - Milford shellfish aquaculture (+3)
  - Marine weather and environmental services (+3)
  - OCEAN LAB (+4)
  - Sea grant (+2)
  
- o Extended jurisdiction budget amendment..... +246
  - MARMAP (+36)
  - Environmental impact analysis (+8)
  - International fisheries activities (+9)
  - State Federal fisheries management (+44)
  - Enforcement and surveillance (+31)
  - Economics and consumer fisheries statistics (+46)
  - Marine recreational fishing (+2)
  - "200 mile" boundary surveys (+6)
  - Ship support (+31)
  - EXAD (+33)
  
- o Coastal Zone Management amendment ..... +67
  
- o Deferral of OCEAN LAB until 1978..... -4

Does not include the transfer of 12 positions from OER direct Federal Ship Financing Fund administrative costs to reimbursable.



Patent and Trademark Office

FY 1977 -- An increase of 43 in the 1977 permanent end-of-year employment ceiling is needed for the Patent and Trademark Office in order to maintain patent examining output at a level which will permit achievement of the 18-month average pendency goal. Due to ceiling restrictions in recent years, new permanent positions which have been authorized for examination of patents have not been filled, nor have vacancies in existing positions been fully replaced. The situation is now such that, at current workload and productivity levels, the Office will not be able to maintain average pendency at its 1976 level of 19.5 months. Further, without additional ceiling, pendency will increase to an estimated 25 months by 1981. Adequate funding is available within the Office to pay for additional people, and an increase of 48 in permanent ceiling is proposed for 1977. A further increase of 50 is proposed for 1978, as described in the budget justification.



National Bureau of Standards

FY 1977 - The requested personnel ceiling of 3088 will provide for an additional 18 positions to work on two reimbursable programs carried on by NBS. An additional 3 positions will work on the expanded fire safety engineering program that deals with building design concepts leading to increased safety in residences, which is sponsored by the NFPCA. The remaining 15 positions will be used to continue support to FEA for the appliance energy labeling program mandated by the Energy Policy and Conservation Act of 1975. Ceiling for this program was provided, in 1976, but only on a one-time basis, while the program is a continuing one.

FY 1978 - The requested personnel ceiling of 3141 includes an additional 53 positions that will be used to work on the reimbursable programs of NBS. Specifically the 53 will be used in the following areas:

- o An additional 9 positions in the nondestructive evaluation area to work on projects supported by ARPA and DoT;
- o An additional 10 positions to work on environmental pollution measurement projects in response to EPA requests for additional Standard Reference Materials;
- o An additional 24 positions to work on HUD and ERDA sponsored activities to provide technology assessments, data analyses, and standards development in response to solar energy legislation;
- o An additional 6 positions to evaluate energy-related inventions for ERDA; and
- o An additional 4 positions to support HUD and OSHA reimbursable projects dealing with the behavior of fires originating in basements, endurance of floor constructions, and key elements of emergency escape requirements.



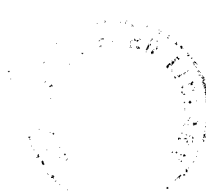
National Technical Information Service

FY 1977 -- An additional 42 end-of-year permanent positions are requested for the Trust Fund operations of the National Technical Information Service. From 1974 to 1976 the annual number of technical reports added to the NTIS system has risen from 59,001 to 74,006. During this same period, the annual number of copies of documents sold has risen from 2,356,000 to 3,081,799. In 1977, 74,200 new documents are expected to be added to the system and 3,244,000 documents are expected to be sold. Additional personnel are required to handle this increase in workload. Funding for these positions will be through receipts and reimbursements to the Trust Fund.

FY 1978 -- Based on recent workload trends, further increases are anticipated in all areas of NTIS sales and services during 1978. As shown in the table on page STR-123 of the justification, 83,500 new documents are expected to be added to the system and 3,427,000 copies of documents will be sold. Further, increases are projected in NTIS subscription and search services. An additional 16 positions are requested to process this additional workload.

Office of Telecommunications

FY 1977 -- An additional 49 positions in permanent end-of-year employment is requested for OT. Of these, 29 will be conversions to permanent from other than permanent positions, and 20 result from increased reimbursable work. In both cases, OTP funding will be used to pay for the positions. A separate memorandum is being provided with additional details in regard to this request.



## FY 1978 EMPLOYMENT CEILING

### Maritime Administration

An additional 13 reimbursable positions are requested for administration of the Federal Ship Financing Guarantee program. The ceiling on the maximum amount of aggregate obligations guaranteed by the program was raised from \$5 billion to \$7 billion pursuant to P.L. 94-127, November 13, 1975. The success of the program as reflected by the rising level of obligations guaranteed has resulted in a continuously increasing work load. It is expected that by the end of 1978, the application approval work load will additionally increase by one-third and that the total Title XI debt outstanding will be approaching the \$7 billion ceiling. MARAD has in prior years reprogrammed positions in order to attain the current base of 63 man-years for 1978. However, other programs cannot be further reduced because of additional manpower requirements for small but critical program increases. Although manpower productivity has roughly doubled since the program's inception, the expected work load increase for 1978 cannot be entirely offset by foreseeable future productivity gains.

COMPARISON OF DEPARTMENT OF COMMERCE BUDGETS  
WITH END-OF-YEAR EMPLOYMENT  
1970 - 1978

Earlier we provided information on the growth of the Department's budget relative to our growth in permanent employment. The total budget of the Department increased for the period 1970-1978 by \$1.2 million, or 106.5%. In terms of constant dollars, our budget increased 35% over 1970. Our 1978 employment ceiling request of 30,863, on the other hand, represents an increase of 3,551 or 13% over 1970.

We have completed a more detailed analysis of the salaries and expenses portion of the Department's budget. This analysis tends to support our earlier conclusions: (1) program growth from 1970-1976 outpaced employment growth, and (2) employment increases requested in 1977 and 1978 are related to increased program responsibilities.

The Department's "Salaries and Expenses" budget has been defined to include all accounts charged with personnel compensation costs. The total obligations in each of these accounts have been reduced by the amount of obligations for grants, subsidies and contributions. In the case of OMBE, only the administrative portion of their budget is included.

As shown on the attachment, NOAA's obligations for direct programs (in constant dollars) have increased by 74.1% while employment has increased by 23.6%. The years 1973-1976 show the greatest difference between the growth of obligations and



employment. If ceiling relief is granted, the 1977 and 1978 differences will be similar to the 1970-1972 differences. NOAA's reimbursable program has not been used to divert employment from its direct programs. Obligations have increased 13.9% while employment has decreased 51.4%

The relationship of salaries and expenses budgets to employment for direct programs of the remainder of the Department is distorted due to the conduct of the 19th decennial census during 1970. The aberration caused by the 19th decennial census shows clearly in the Attachment which separately identified the changes attributable to the periodic program of the Bureau of the Census. The base year, 1970, includes \$126 million for the 19th decennial census. Of this amount, \$87 million relates to personnel compensation for other than permanent employment. As a result, employment has increased slightly even though obligations have decreased by more than half.

The remainder of the Department's direct programs (excluding NOAA and periodic programs) show a great difference between increases in obligations and increases in employment in 1974-1975, with the difference partially made up in 1976.

The Department's reimbursable programs (excluding NOAA) is distorted because of the Vessel Operations Revolving Fund of the Maritime Administration. This account had obligations of \$61,575,000 in 1970 and \$3,653,000 in 1971 and nothing thereafter



involving personnel. If 1971 is used as a base year instead of 1970 to eliminate this factor, obligations rose by 14.1% and employment decreased by 7.9%. Again, this indicates that reimbursable work has not drained employment away from direct programs.

The summary data indicates that the growth in the Department's reimbursable programs in terms of both constant dollars and employment is less than in the direct program of the Department.

DEPARTMENT OF COMMERCE  
COMPARISON OF SALARIES AND EXPENSES BUDGET  
WITH END-OF-YEAR EMPLOYMENT  
PERCENT CHANGE

	CONSTANT DOLLARS				PERMANENT EMPLOYMENT			
	Direct Programs		Reimbursables	Total <sup>1/</sup>	Direct Programs		Reimbursable	Total
	NOAA	Total <sup>1/</sup>			NOAA	Total		
1970.....	...	...	...	...	...	...	...	...
1971.....	18.6	12.4	-29.7	-0.2	8.3	6.1	-3.0	4.3
1972.....	26.3	17.9	-39.1	0.6	10.9	6.6	-6.6	4.2
1973.....	28.0	21.3	-32.3	5.3	9.1	7.3	-10.6	3.8
1974.....	35.0	26.1	-31.3	8.9	8.7	7.7	-7.0	5.0
1975.....	51.7	35.5	-24.8	17.5	10.8	6.2	1.5	5.2
1976.....	52.2	38.6	-14.3	22.8	10.6	8.6	-5.5	5.8
1977 est.....	58.3	40.6	-18.5	23.0	20.9	16.7	-12.4	11.2
1978 est.....	74.1	48.8	-14.4	45.3	23.6	18.7	-10.8	13.1

<sup>1/</sup> Excludes periodic programs of the Bureau of the Census.

10-18-76

DEPARTMENT OF COMMERCE  
 COMPARISON OF SALARIES AND EXPENSES BUDGET WITH  
 END-OF-YEAR EMPLOYMENT  
 FISCAL YEARS 1970-1978  
 (Dollar amounts in thousands)

	NOAA Direct Programs					Direct Programs for the REMAINDER OF DEPARTMENT EXCEPT PERIODIC PROGRAMS				
	Actual Obligations	Obligations in Constant Dollars		Permanent Employment		Actual Obligations	Obligations in Constant Dollars		Permanent Employment	
		Amount	% Change	Number	% Change		Amount	% Change	Number	% Change
1970.....	221,132	249,867	...	10,417	...	217,922	246,240	...	11,057	...
1971.....	278,849	296,333	18.6	11,280	8.3	245,068	261,496	6.2	11,497	4.0
1972.....	315,644	315,644	26.3	11,555	10.9	269,492	269,492	9.4	11,328	2.4
1973.....	337,405	319,815	28.0	11,369	9.1	297,575	282,062	14.5	11,677	5.6
1974.....	379,377	337,224	35.0	11,325	8.7	324,350	288,311	17.1	11,795	6.7
1975.....	458,257	379,038	51.7	11,543	10.8	354,731	293,409	19.2	11,255	1.8
1976.....	484,591	380,370	52.2	11,518	10.6	391,262	307,034	24.7	11,796	6.7
1977 est...	534,856	395,604	58.3	12,591	20.9	408,462	302,117	22.7	12,477	12.8
1978 est...	588,306	435,138	74.1	12,881	23.6	409,419	302,825	23.0	12,609	14.0



DEPARTMENT OF COMMERCE  
 COMPARISON OF SALARIES AND EXPENSES BUDGET  
 WITH END-OF-YEAR EMPLOYMENT  
 FISCAL YEARS 1970-1978  
 (Dollar amounts in thousands)

	Subtotal					Periodic Programs				
	Actual Obligations	Obligations in Constant Dollars		Permanent Employment		Actual Obligations	Obligations in Constant Dollars		Permanent Employment	
		Amount	% Change	Number	% Change		Amount	% Change	Number	% Change
1970.....	439,054	496,107	...	21,474	...	130,765	147,757	...	529	...
1971.....	524,917	557,829	12.4	22,777	6.1	54,358	57,766	-60.9	543	2.6
1972.....	585,136	585,136	17.9	22,883	6.6	29,017	28,017	-21.0	543	2.6
1973.....	634,980	601,877	21.3	23,046	7.3	27,622	26,182	-32.3	543	2.6
1974.....	703,727	625,535	26.1	23,120	7.7	17,416	15,481	-29.5	470	-11.2
1975.....	812,982	672,447	35.5	22,798	6.2	22,663	18,745	-37.3	526	-0.6
1976.....	875,753	687,404	38.6	23,314	3.6	31,055	24,376	-23.5	540	2.1
1977 est....	943,313	697,721	40.6	25,068	16.7	52,181	38,595	-27.9	569	7.6
1978 est....	997,725	737,963	48.8	25,490	18.7	73,955	54,700	-26.0	569	7.6

DEPARTMENT OF COMMERCE  
 COMPARISON OF SALARIES AND EXPENSES BUDGET  
 WITH END-OF-YEAR EMPLOYMENT  
 FISCAL YEARS 1970-1978  
 (Dollar amounts in thousands)

	Total Direct Program					NOAA Reimbursable				
	Actual Obligations	Obligations in Constant Dollars		Permanent Employment		Actual Obligations	Obligations in Constant Dollars		Permanent Employment	
		Amount	% Change	Number	% Change		Amount	% Change	Number	% Change
1970.....	569,819	643,863	...	22,003	...	42,629	48,168	...	2,456	...
1971.....	579,275	615,595	-4.6	23,320	6.0	35,979	38,234	-20.4	1,307	-46.8
1972.....	613,153	613,153	-4.8	23,426	6.5	37,363	37,363	-22.4	1,120	-54.4
1973.....	662,602	628,059	-2.5	23,589	7.2	44,731	42,399	-11.9	1,102	-55.1
1974.....	721,143	641,016	-0.4	23,656	7.5	45,632	40,562	-15.8	1,180	-52.0
1975.....	835,651	691,192	7.4	23,324	6.0	52,304	43,262	-10.2	1,003	-59.2
1976.....	906,808	711,780	10.5	23,854	8.4	74,280	58,304	21.0	1,112	-54.7
1977 est...	995,499	736,316	14.4	25,707	16.8	74,153	54,846	13.9	1,194	-51.4
1978 est...	1,071,680	792,663	23.1	26,129	18.8	74,151	54,845	13.9	1,194	-51.4

DEPARTMENT OF COMMERCE  
 COMPARISON OF SALARIES AND EXPENSES BUDGET  
 WITH END-OF-YEAR EMPLOYMENT  
 FISCAL YEARS 1970-1978  
 (Dollar amounts in thousands)

	Other Reimbursable					Total Reimbursable				
	Actual Obligations	Obligations in Constant Dollars		Permanent Employment		Actual Obligations	Obligations in Constant Dollars		Permanent Employment	
		Amount	% Change	Number	% Change		Amount	% Change	Number	% Change
1970.....	144,514	163,293	...	2,653	...	187,143	211,461	...	5,309	...
1971.....	103,954	110,473	-32.4	3,844	34.7	139,933	148,707	-29.7	5,151	-3.0
1972.....	89,723	89,723	-45.1	3,837	34.5	127,086	127,086	-39.1	4,957	-6.6
1973.....	106,367	100,822	-28.3	3,642	27.6	151,098	143,221	-32.3	4,744	-10.6
1974.....	117,871	104,774	-35.8	3,756	31.6	163,503	145,336	-31.3	4,936	-7.0
1975.....	139,727	115,572	-29.2	4,384	15.4	192,031	158,834	-24.8	5,387	1.5
1976.....	156,662	122,969	-24.7	3,903	36.8	230,942	181,273	-14.3	5,015	-5.5
1977 est...	158,991	117,598	-28.0	3,458	21.2	233,144	172,444	-13.5	4,652	-12.4
1978 est...	170,478	126,093	-22.8	3,540	24.1	244,629	180,938	-14.4	4,734	-10.8

DEPARTMENT OF COMMERCE  
 COMPARISON OF SALARIES AND EXPENSES BUDGET  
 WITH END-OF-YEAR EMPLOYMENT  
 FISCAL YEARS 1970-1978  
 (Dollar amounts in thousands)

	<u>Total Commerce Without Periodic Programs</u>					<u>Total Commerce</u>				
	<u>Actual</u>	<u>Obligations in</u>		<u>Permanent</u>		<u>Actual</u>	<u>Obligations in</u>		<u>Permanent</u>	
		<u>Obligations</u>	<u>Constant Dollars</u>	<u>% Change</u>	<u>Number</u>		<u>% Change</u>	<u>Obligations</u>	<u>Constant Dollars</u>	<u>% Change</u>
1970.....	626,197	707,567	...	26,783	...	756,962	855,324	...	27,312	...
1971.....	664,850	706,536	-0.2	27,928	4.3	719,208	764,302	-10.6	28,471	4.2
1972.....	712,222	712,222	0.6	27,910	4.2	740,239	740,239	-13.5	28,453	4.2
1973.....	786,078	745,098	5.3	27,790	3.8	813,700	771,280	-9.3	28,333	3.7
1974.....	867,230	770,871	8.9	28,122	5.0	884,646	786,352	-8.1	28,592	4.7
1975.....	1,005,019	831,281	17.5	28,185	5.2	1,027,632	850,026	-0.6	28,711	5.1
1976.....	1,106,695	868,677	22.8	28,329	5.8	1,137,750	893,053	4.4	28,869	5.7
1977 est...	1,176,462	870,165	23.0	29,700	11.2	1,228,643	908,760	6.2	30,359	11.2
1978 est...	1,242,354	1,028,301	45.3	30,294	13.1	1,316,309	973,601	13.8	30,863	13.0

## DEPARTMENT OF COMMERCE

## WEIGHTED PRICE INDEX

- Assume costs split 75% - Salaries & benefits, 25% - other
- Salary index based on GS pay increases
- Other object index based on implicit price deflators for GNP for Federal Government purchases of goods and services, survey of current business (SCB)

<u>Year</u>	<u>(A) Salary Index</u>	<u>(B) SCB Index</u>	<u>(75%A &amp; 25%B) Weighted Average</u>
FY 1970	89.2	85.4	88.5
1971	94.6	92.6	94.1
1972	100.0	100.0	100.0
1973	105.3	106.1	105.5
1974	111.0	117.1	112.5
1975	117.8	130.0	120.9
1976	123.9	137.7 (p)	127.4
1977	131.5	146.1 (e)	135.2

(p) = Preliminary

(e) = Estimate based on same increase over 1976 as pay ... SCB index not available for the year.





EDA/RAPC Authorization

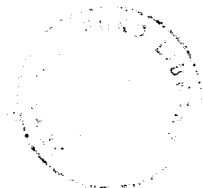
<u>Title</u>	FY 1977 <u>Appropriation</u>	( <u>\$000</u> ) FY 1978 <u>Request</u>	Full <u>Authorization</u>
I.....	\$146,000	\$89,950	\$425,000
II Regular.....	36,000	27,750	200,000
204 Revolving funds.....	...	...	125,000
III.....	35,500	29,500	75,000
304 Supplemental grants.	20,000	20,000	75,000
IV.....	25,500	16,250	70,000
V Existing commissions.....	62,500	42,200	250,000
New commissions.....	1,000	2,000	5,000
IX.....	77,000	45,000	100,000
X <u>2/</u> .....	...	...	325,000
Subtotal, PWEDA.....	<u>403,500</u>	<u>272,650</u>	<u>1,650,000</u>
Trade Act.....	<u>20,000</u>	<u>20,000</u>	<u>...</u>
Total, EDA/RAPC.....	<u>423,500</u>	<u>292,650</u>	<u>1,650,000</u>

3/

1/ New section 304 for provision of interest free loans to designated areas for purposes of setting up revolving loan fund to carry out wide range of economic redevelopment projects.

2/ Authorized at \$81,250,000 per quarter during which national unemployment rate is equal to or exceeds 7%.

3/ No specific authorization.







Assumptions Used to Develop 1977 Supplemental and 1978 Request for the Coastal Zone Management Programs and the Coastal Energy Impact Fund

I Coastal Zone Management Program

A. Program Development Grants (Section 305) (1977 - \$20,000,000; 1978 - \$15,750,000)

1. It was assumed the full authorized amount for program development grants would be needed in 1977 because:
  - o Some States have made slower progress in developing their programs requiring a fourth year grant to successfully complete their coastal zone management plans.
  - o Some States will take advantage of the 305-1/2 option to stay in the planning phase longer in order to do a more complete job of developing their program and to begin administration of their programs pending Secretarial approval.
  - o All States require an additional 10% in funding to cover additional planning requirements under the amended Coastal Zone Management Act amendments.
  - o The increase from 66-2/3% to 80% matching share is warranted because previously States were having difficulty providing sufficient funds to develop their coastal zone plans.
2. Less funding is required in 1978 to the extent States successfully enter the program administration stage.
3. All States will complete planning in 1979.

B. Program Administration Grants (Section 306) (1977 - \$9,152,000; 1978 - \$22,250,000)

1. Program administration grant funding requirements are a function of the estimated number of States that will have completed and had approved their coastal zone management programs. Delay or acceleration of planning would alter the requirements.
2. Program administration grants will generally be greater than program development grants for the same State because of increased administration, enforcement and education costs.



3. The need for continued support of the program administration grant program will be evaluated in 1979 and 1980.

C. Interstate grants (Section 309) (1977 - ...; 1978 - \$150,000)

1. No funding for this authorization is needed in 1977 pending receipt and evaluation of applications.
2. The 1978 request assumes three grants of \$50,000 each and will be sufficient to support interstate activities which may develop.

D. Energy Impact Formula Grants (Section 308(b)) (1977 - \$15,000,000; 1978 - \$25,500,000)

1. The requested amount for 1977 and 1978 is based on the best estimates of OCS oil and gas activity available.
2. The request is calculated using the Congressionally mandated formula as modified by the following principles:
  - o The upper limit to be available in any of the eight years of authorization is 1/8 of the total \$400 million authorized or \$50,000,000.
  - o The entire \$50,000,000 will be requested only when the levels of the four formulas factors identified by Congress are at their peak over the eight year life of the authorization.
  - o In other years, an amount should be sought relative to the peak for each of the four areas by comparing the years activities against the peak.

E. Research and technical assistance (Section 310) (1977 - \$2,550,000; 1978 - \$3,442,000)

1. These funds will be required to insure effective coastal zone management plans are developed.
2. This will be accomplished through support of national and State research with funds for economic studies, management/institutional studies, training of State and local officials, and provision of educational materials.



3. The average state grant will be \$75,000, the cost of conducting one study.
4. Funds requested are to be used on the basis of 50% for 80% Federal share State grants.

F. Beach Access Grants (Section 310(b)) (1977 - ...; 1978 - \$2,400,000)

1. Funds are not required in 1977 due to the long lead time required to promulgate regulations.
2. The program should be funded in 1978, 1979, and 1980 as an adjunct to the program administration phase of the coastal zone management program to allow states to acquire protection of and access to public beaches and other coastal areas of value.
3. Other Federal sources of funding are insufficient for this purpose.
4. States are very interested in this program.

G. Program Management (1977 - \$4,208,000; 1978 - \$4,008,000)

1. Staffing requests are based on the principle of maximum latitude in State and local use of the funds provided through the program.
2. Use of contract funds in 1977 and 1978 greatly reduce the need for additional personnel.
3. Funding will be available in the second quarter of 1977 to support the use of a 25% lapse rate.

II Coastal Energy Impact Fund

A. Planning Grants (Section 302(d)) (1977 - \$3,500,000; 1978 - \$3,500,000)

1. Energy development activities which are eligible for grant support will occur in all 30 coastal States in 1977 and 1978. OCS related activities that can be funded using planning grants will occur in ten States.
2. Planning grants are the primary source of funding for state coastal energy related projects under the Act.



3. If planning grants are insufficient for these purposes, formula grants (Section 308(b) may be used.
  4. States receiving Section 306 grants will not be eligible for planning grants under Section 308(c).
- B. Environmental Grants (Section 308(d)(4)) (1977 - \$1,500,000; 1978 - \$1,500,000)
1. States with no entitlement to formula grants based on OCS development will require funding support to reduce or ameliorate unavoidable loss of environmental or recreational resources from coastal energy activities.
  2. It is estimated three such grants of \$500,000 will be required in 1977 and 1978.
- C. Coastal Energy Impact Fund (Section 308(d) (1977 - \$141,000,000; 1978 - \$180,000,000)
1. The 1977 and 1978 requests assume all funds will be used for loans or guarantees. No repayment assistance is expected prior to 1979.
  2. All assistance to be provided through the fund is requested to be appropriated on a dollar for dollar basis in order to set the upper limit of the fund, allow states the choice of requesting the form of assistance they desire, and insure sufficient funding is available for public facilities and services without tapping formula grant funds for that purpose.
  3. The amount requested is based on the new employment and related population growth resulting from new or expanded coastal energy activities, and standardized unit costs, by regions, of required public facilities and services.
  4. The population multiplier used is 4.2. This is based on .68 secondary growth in employment for each new energy related job. The 1.68 job factor is multiplied by 2.5 as the average family size to yield the 4.2 population multiplier.
  5. The standardized unit cost is \$5,000 per individual based on an April 1974 CEQ, HUD and EPA report, The Cost of Sprawl, inflated to June 1976 dollars.



6. The request is based on the policy that the program should be "front located" in order to make the credit assistance available as soon as possible to offset energy impacts as they occur.
7. The total eight hundred million authorization would be reached in 1980; however, the request is not based on reaching the authorized level. The estimated population growth related to coastal energy development will require that much credit assistance by 1980 in order that public facilities and services will be available in a timely manner.
8. For the purposes of determining outlays, it is assumed 60% of the fund will be used for direct loans and 40% for guarantees. However, the actual split will only be determined by the requests made by the states themselves.
9. The interest rate for the loans will be set by the Secretary and will be no more than the current average market rate for United States obligations of comparable maturity at the time of the calculation. The interest rate will be calculated every three months. The Department will develop policies relating to the setting of the interest rate by November 15, 1976.
10. The Federal role in providing credit assistance is considered to be supplemental or secondary to the States and localities primary responsibility to provide public facilities and services.
11. The Federal government assumes some risks in providing public facilities and services under the provisions of the Act because of the national benefits derived from energy development.
12. Funds will be available only where needed to avoid both shortfalls and windfalls.
13. Funds should be available when needed, i.e., ahead of the impacts, but cut off after the impacts.
14. Funds should be limited to the appropriate uses and amounts defined by the Act.



15. State and local governments should retain maximum discretion and control to assure the program is administratively simple.
16. Use of the funds is linked to successful progress towards or management of the states coastal zone management program.
17. Unemployment rates were considered in developing the population multiplier.
18. Population growth based on OCS oil and gas development has lag factors built in to spread the impacts over the life of the developments.

