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F. F. Y. 1977 BUDGET PRESS
STATEMENT

DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

Wallace (202) 343-3171

For release only after delivery of the President's Budget Message to Congress, expected at 10 a.m. EST, Wednesday, January 21, 1976

INTERIOR'S 1977 BUDGET REQUESTS REFLECT INCREASED FUNDING FOR PARK OPERATIONS, RECLAMATION AND ENERGY ACTIVITIES

Secretary of the Interior Thomas S. Kleppe today announced a \$3.837 billion budget to finance Department of the Interior programs and operations during the fiscal year 1977.

Interior's \$3,836,957,000 budget is being submitted by the President to Congress today and is \$28 million above the comparable level of 1976. The new fiscal year begins next October 1.

The major funding change is in the Bureau of Reclamation, where prior funding decisions, including numerous new project starts in fiscal '76, will increase the 1977 budget by around \$109 million to continue work in progress. Construction programs in other Interior bureaus generally have been reduced to trim future fiscal year outlays.

Substantially increased funding was proposed for selected aspects of several Interior programs, including energy management activities, operations of national parks, mine safety, and the Indian Loan Guaranty program. Also, new funding--including a FY 1976 supplemental--was proposed for a major new self-determination grant program in the Bureau of Indian Affairs.

The budget request proposes deferral until FY 1978 of money appropriated in FY 1975 and 1976 for a new assistance program for construction of public and tribal schools on or near Indian reservations.

Programs scheduled for delay or reduction include operational assistance to previously private Indian schools under Public Law 93-638 and grants to States under the Endangered Species and Preservation of Historic Properties Acts. The geothermal resources appraisal program in the Geological Survey will be reduced by about two-thirds.

Program Revenues

Proposed fiscal years 1976 and 1977 net budget totals for Interior are approximately \$2.5-2.6 billion, whether expressed in budget authority or net outlays.

The net number includes estimated receipts of \$1.3 billion in fiscal year 1977 that will come primarily from mineral leasing receipts and electric power and timber sales and are offset against gross budget outlays of \$3.9 billion.

These amounts do not include Outer Continental Shelf leasing receipts which currently are estimated at \$3 billion in fiscal year 1976 and \$6 billion in fiscal year 1977.

Gross budget authority and gross budget outlays

Specific totals shown in the President's proposed budget for Interior follow:

	\$ millions)		
	<u>1976</u>	<u>1977</u>	<u>Change</u>
* <u>Gross budget authority</u>	3,692	3,837	145
Offsetting deductions	<u>-1,172</u>	<u>-1,271</u>	<u>-99</u>
Net budget authority	2,520	2,566	46
** <u>Gross outlays</u>	3,754	3,865	111
Offsetting deductions	<u>-1,172</u>	<u>-1,271</u>	<u>-99</u>
Net outlays	2,582	2,594	12

* Budget authority includes all annual appropriations (except liquidating cash available for prior obligations), Permanent Funds, Trust Funds, and new contract authority.

** Budget outlays are amounts expected to be disbursed during the fiscal year, offset by receipts.

Highlights of Interior's FY 1977 budget follow:

Energy Programs

The FY 1977 budget anticipates continuation of Outer Continental Shelf oil and gas leasing at the accelerated rate previously announced as well as for expansion of onshore oil and gas lease activity.

Additional funding also was proposed to keep pace with expanded coal production from existing leases on Federal and Indian lands and increases in examining requests for energy-related rights-of-way across Federal

lands (such as transmission lines and pipelines). Coal mining research will accelerate and oil shale mining and prototype lease management activities will continue.

Tract selection workload for OCS lease sales will increase substantially to select tracts with high resource potential and assure that the Government receives a fair return for use of its resources. In conjunction with accelerated leasing, 15 major environmental baseline and monitoring studies will be underway in frontier areas.

In addition, a large data bank will be developed to contain more than 13,000 well logs, information on more than 250,000 miles of geophysical survey data purchased over the past decade, and an extensive collection of data internally generated and purchased on OCS lands with oil and gas mineral deposits. An inventory of oil and gas reserves on Federal OCS land also will be developed to provide information to plan future energy policy and improve OCS lease regulation operations.

Increases in onshore leasing activities were proposed to keep pace with the increasing workload, as well as to improve the quality of lease management in every facet of lease operations, including exploration, development, production, storage, receipt of fair market value, and diligent development of Federal oil and gas reserves.

For Geological Survey oil and gas activities, environmental analysis studies are estimated to increase from 2,000 to 2,500, inspection of wells from 26,000 to 34,000, reservoir studies from 15 to 300, and prelease engineering evaluations from 750 to 800.

A significant workload increase is projected for existing coal and uranium leases and permits are expected to bring increased industry exploration and development in FY 1977. Coal production from Federal lands increased 38 percent in 1975 over 1974, and the trend is expected to continue in 1976 and 1977. Projected increases include rises in lease inspections from 500 in 1976 to more than 2,100 in 1977; environmental analysis studies from 200 to 550; and mining plan appraisals from 200 to 440.

Several major coal mining research projects begun in 1975 are scheduled for demonstration in 1977. These include commercial scale demonstration of underground longwall shield supports which in tests so far have proven advantageous in actual coal mine use; demonstration of a prototype self-powered boring system for driving mine escape ways and airshafts; and demonstration of a tunnel boring machine for driving mine entries.

The 1977 program also calls for continued demonstration of commercial-scale recovery of methane from unmined coal beds as a supplement to natural gas supplies, and the design of special systems for improved efficiency in open-pit mining and mined-land reclamation.

No new budget authority is required to finance the Bonneville Power Administration's program. The direct program for operating costs and capital outlays in the Bonneville Power Administration Federal Transmission System in Fiscal Year 1977 is \$300 million compared with \$268 million in Fiscal Year 1976. These programs will be financed from operating receipts and borrowing authority provided by the Federal Columbia River Transmission System Act. Continuation of construction on 1,295 circuit miles of transmission lines and start of construction on 48 circuit miles are provided for in this program.

Recreation and Wildlife

Full annual funding of \$300 million was proposed for the Land and Water Conservation Fund, which provides matching grants to States for acquisition and development of recreation areas and for acquisition of Federal recreation lands and wildlife habitat.

With a \$300-million funding level it is estimated that States and local governments will initiate approximately 2,500 projects to acquire and develop recreation lands and facilities. These will add to the more than 16,000 grant projects approved since the Fund started in 1965. To date, Land and Water Conservation Fund appropriations have brought 1.5 million acres of recreation lands into the public ownership and contributed \$720 million to development of recreation facilities for the use of all Americans.

Fiscal year 1977 budget proposals will enable the National Park Service to purchase lands in areas such as Big Cypress in Florida, Big Thicket National Preserve in Texas, and Cuyahoga Valley National Recreation Area in Ohio and assure that momentum gained in NPS' land acquisition program in other natural, historical and recreational areas is maintained.

The Forest Service will continue to acquire quality recreation lands primarily within Congressionally authorized areas. Proposed funding also provides for acquiring recreation lands within Wild and Scenic river areas, national recreation areas, and national scenic trails.

Funds would be made available to the Fish and Wildlife Service to protect essential habitat and other nationally significant areas which are threatened and endangered. Acquisition of habitat for the endangered Mississippi sand-hill crane and Hawaiian waterbirds is included in the request.

The Bureau of Land Management would continue to fund acquisition of recreation lands at the King Range National Conservation Area, Rio Grande Wild and Scenic River, Rogue Wild and Scenic River, and the Pacific Crest Trail.

Operational increases for the National Park Service will provide money for recently authorized park and historic areas, as well as augmenting funding of high priority requirements in older park areas, including visitor protection and safety programs, maintenance of park facilities, and resource protection programs. Concessions management will also be strengthened.

Permanent personnel ceilings have been increased by 400, effective immediately, for the National Park Service to improve park operations. For the Fish and Wildlife Service, budget increases have been provided for permit and license investigations, endangered species protection, and initiation of a National Wetlands Inventory. For the most part, construction and grant activities proposed for the National Park Service and Fish and Wildlife Service are sharply curtailed. Funding proposed for migratory bird land acquisition has also been reduced.

Mine Safety

The FY 1977 budget proposed for mine safety activities is reflective of the Administration's support of continued improvement to the working environment of the Nation's miners. A total of 300 additional personnel will be added to expand inspection and enforcement services, health and safety training, and technical assistance to the mining community. Since 1973, the number of coal mines has increased more than 55 percent--from about 3,100 to nearly 4,900--each requiring inspection services under the Federal Coal Mine Health and Safety Act. To keep pace with this expansion, 162 positions will be added for coal mine safety regulations enforcement.

In metal and nonmetal, a test program for reduction of hazards concentrating on "high rate" health and accident hazard mines will be implemented and regular inspection services will be expanded.

Fiscal year 1977 will be a landmark in health and safety training. The Nation's first academic institution developed solely for the furtherance of mine health and safety will become operational. The National Mine Health and Safety Academy at Beckley, West Virginia, will begin its first academic year next September. Equipped with a \$4.5 million annual budget, the Academy is expected to have an average enrollment of 400 students.

Mine health and safety research will continue at the current level of about \$35 million per year. As a result of continuing work, machine operator compartments specially designed for safety should appear on equipment leaving manufacturers' shops in FY 1977 and wireless communication systems permitting contact between miners anywhere in a conventional or longwall coal mine section will become operational. Voice transmission

by radio from the surface to trapped miners will be possible in FY 1977 through a system that permits miners to send "beep" signals back to the surface so rescuers can pinpoint their location underground. Surface monitors will be able to track changes in underground mine environments to depths of 1,000 feet to provide early warning in case hazardous conditions start to develop.

Indian Programs

Outlays for Indian programs are set at \$1.05 billion, down about \$50 million from FY 1976. One major decrease item, scheduled by law, is the annual appropriation for payments under the Alaska Native Claims Settlement Act, which drops from the recent rate of \$70 million per year to \$30 million in 1977.

Appropriations for most operating programs will stay about level with 1976. The major exception is that new funding for the implementation of Title I of the Indian Self-Determination and Education Assistance Act (P. L. 93-638) is included in the FY 1977 budget request for the Bureau of Indian Affairs. The \$32.9 million requested for this purpose is considered essential for carrying out the Administration's Indian policy and for making Indian self determination a reality.

Funds requested to implement the Self-Determination Act would provide grants to tribes (under Section 104) for planning, training, and strengthening tribal governments and other activities needed to allow tribes to properly prepare to assume greater responsibility for planning, operation, and monitoring BIA programs. These funds also would be used to provide technical assistance to tribes and to offset tribal overhead costs for contracted programs.

Funding for the Indian Loan Guaranty program is proposed to double--to a total of \$20 million--and increases have been proposed for several Indian programs including tribal resource development and protection of Indian rights.

No funding is being sought under the education assistance provisions of the Act and funds previously appropriated for public school construction assistance near reservations have been scheduled for deferral until FY 1978. Road construction and the Navajo Irrigation project are continued at about the current level in FY 1977; other construction activities have been reduced substantially.

Bureau of Reclamation

Proposed funding for the Bureau of Reclamation is substantially higher--\$760 million compared to \$651 million for 1976--reflecting a sharp increase required to fund work initiated in fiscal years 1975 and 1976. The 1977 appropriation request is more than 50 percent higher than 1975. No new construction projects are scheduled for 1977 but work will be continued on nine projects started in 1976. These include Brantley Project, New Mexico; San Felipe Division, Central Valley Project, California; Jensen Unit, Central Utah Project, Utah; Savery-Pot Hook Project, Colorado and Wyoming; Dallas Creek Project, Fruitland Mesa Project, and Narrows Unit, all in Colorado; and the O'Neill Unit and North Loup Division, both in Nebraska.

The 1977 program provides for award of the prime contract for Auburn Dam and Powerplant, California; installation of two additional generators totaling 1,300,000 kilowatts at the third powerplant at Grand Coulee Dam, Washington; and continued work at full capability on the Central Arizona Project and Title I Colorado River Salinity Control projects, including the Yuma desalting facilities and Coachella Canal. Altogether, construction will continue on 72 projects in 17 Western States.

Territorial Affairs

The total budget authority requested in fiscal year 1977 for the Trust Territory of the Pacific Islands, American Samoa, Guam and the Virgin Islands is \$123,439,000.

Funds for operations and capital improvements for the Trust Territory total \$82,321,000. Major items are \$15.2 million for educational programs, \$10.3 million for medical services, \$5.8 million for resources and development, \$12.5 million for public works operations and maintenance and \$21.6 million for capital improvements.

The 1977 request also includes \$20,862,000 for American Samoa which will provide the basis for upgraded health and education facilities, as well as economic development and related capital improvements, and \$19,000,000 for the Virgin Islands to be derived from taxes collected on Virgin Island products transported to the United States.

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DEPARTMENT OF THE INTERIOR

Comparability Analysis of Budget Authority
Fiscal Years 1976 and 1977

(\$ in thousands)

1976 Total Budget Authority	3,692,162
Add: proposed technical rescissions of road contract authority enacted in prior years which has not been scheduled for use and which would otherwise lapse	+67,300
Add: approved rescission in FY 1976 of Helium Fund contract authority not scheduled for use in 1976 which is not comparably shown in 1977 budget for technical reasons	+47,500
Add: Financing adjustment due to conversion of highway programs to a direct appropriation basis	+27,205
Less: recurring forest fire suppression supplements included in fiscal year 1976 budget supple- mental request but not forecast at this time for fiscal year 1977	<u>-25,500</u>
Net Budget Authority in fiscal year 1976 comparable to fiscal year 1977	3,808,667
Fiscal Year 1977 Total Budget Authority	<u>3,836,957</u>
Net Budget Authority change from fiscal year 1976 to 1977 on comparable basis	<u>+28,290</u>

DEPARTMENT OF THE INTERIOR

Budget Authority and Outlays
(in thousands of dollars)

January 21, 1976

Bureau or Office	Budget Authority				Outlays			
	1975 Actual	1976 Estimate	Trans Quarter	1977 Estimate	1975 Actual	1976 Estimate	Trans Quarter	1977 Estimate
LAND AND WATER RESOURCES								
Bureau of Land Management	399,931	438,949	216,535	385,159	384,888	448,421	207,667	383,197
Bureau of Reclamation	493,092	650,729	192,769	759,991	481,855	647,700	185,400	751,410
Office of Water Research and Technology	19,792	18,180	4,411	23,573	23,057	19,215	4,579	19,000
TOTAL, LAND & WATER RESOURCES	912,815	1,107,858	413,715	1,168,723	889,800	1,115,336	397,646	1,153,607
FISH AND WILDLIFE AND PARKS								
Bureau of Outdoor Recreation	342,872	343,983	77,487	336,187	288,870	305,892	64,492	335,188
Fish and Wildlife Service	207,001	249,083	52,087	237,897	195,043	225,331	65,009	232,955
National Park Service	415,787	323,586	99,512	340,956	341,798	367,817	115,959	390,378
TOTAL, FISH & WILDLIFE & PARKS	965,660	916,652	229,086	915,040	825,711	899,040	245,460	958,521
ENERGY AND MINERALS								
Geological Survey	254,147	272,499	69,242	284,308	224,910	269,860	71,495	284,345
Mining Enforcement & Safety Admin.	68,098	83,619	20,973	90,148	68,395	83,434	22,834	88,554
Bureau of Mines	196,930	159,379	39,657	202,470	112,710	144,336	42,401	159,524
Alaska Power Administration	1,300	1,490	407	1,927	1,343	1,545	490	1,927
Bonneville Power Administration	1,429,149	--	--	--	164,378	-66,000	-1,460	-15,130
Southeastern Power Administration	1,054	1,000	257	1,106	1,061	995	245	1,104
Southwestern Power Administration	6,415	6,761	1,999	8,781	4,060	6,759	2,148	8,775
TOTAL, ENERGY & MINERALS	1,957,093	524,748	132,535	588,740	576,857	440,929	138,153	529,099
BUREAU OF INDIAN AFFAIRS	980,346	1,018,095	321,822	994,933	839,384	1,097,083	323,953	1,047,887
OFFICE OF TERRITORIAL AFFAIRS	104,801	147,312	34,765	123,439	107,025	158,221	40,504	131,632
OFFICE OF THE SOLICITOR	11,082	11,616	2,789	12,703	10,773	11,607	2,673	12,702
OFFICE OF THE SECRETARY	30,804	33,181	7,041	34,724	34,185	32,086	7,386	32,842
TOTAL, DEPARTMENT OF THE INTERIOR	4,962,601	3,759,462	1,141,753	3,838,302	3,283,735	3,754,302	1,155,775	3,866,290

People to call for additional information regarding Department of the Interior's 1977 FY Budget Requests

Bureau	Information Source	Office Phone	Home Phone
National Park Service	Tom Wilson	343-7394	536-7216
	Duncan Morrow	343-7394	836-5091
Territorial Affairs	Hugh Gallagher	343-4736	538-4635
Bureau of Mines	R. O. Swenarton	634-1001	946-3491
	Chas. F. Lanman	634-1001	966-2335
Bonneville Power Administration	William H. Clagett	343-6955	591-8996
	Edmund R. Savoie	343-6955	591-7159
Bureau of Land Management	Paul Veterrick	343-8571	703-221-6834
	Carson Culp	343-8571	439-6117
Bureau of Indian Affairs	Vincent Lovett	343-7445	301-424-2733
	Glen McLaren	343-5533	703-491-2084
Bureau of Outdoor Recreation	Douglas Baldwin	343-5726	301-627-5783
	Emily Baldwin	343-5726	301-977-1575
Bureau of Reclamation	W. Joynes Macfarlan	343-4662	JA 8-3460
	Paul Winegar	343-4662	573-0837
	W. W. Wilson	343-4691	243-9213
Fish and Wildlife Service	Michael Spear	343-4767	978-6337
	Pat McGarvey	343-5634	868-1752
Geological Survey	Frank Forrester	860-7444	356-9567
	Jack Stassi	860-7217	938-7883
Water Res & Technology	Chandler Townsend	343-6325	301-268-8352
Mining Enforcement & Safety Administration	Richard Nellius	235-1452	451-8507
	Richard Baker	235-8357	768-6826
<u>Others</u>			
Dept. Budget Officer	Francis Wiles	343-5308	345-8023
Office of Communications, Office of the Secretary	Charles E. Wallace	343-3171	536-8693

G. SECRETARY'S APPROP.
HEARINGS STATEMENTS - 1977

Statement by Secretary of the Interior, Thomas S. Kleppe, before the
Senate Public Works Appropriations Committee

Mr. Chairman, and Members of the Committee:

This is indeed a distinct pleasure for me to appear before this Committee today representing the Department of the Interior. I am well aware of the outstanding accomplishments of this Committee in providing electric power sources and water supplies to our great Nation and I look forward to working closely with you in the days ahead. Other officials at Interior have informed me of the sincere interest and support this Committee has afforded our programs over the years and we appreciate the opportunity of solving our problems and achieving our goals with your continued counsel.

As a former Member of the House of Representatives, I am cognizant of the close relationship that must exist between the Executive Branch and this great body. My immediate staff and I, as well as the representatives of the Bureaus within our Department, pledge our full cooperation and welcome the help and advice of the Committee and its able Chairman.

Amount of Budget

In the budget that comes before your Committee we are requesting new appropriations for the agencies of the Department of the Interior in the amount of \$763 million for fiscal year 1977, an increase of \$118 million over the fiscal year 1976 amount of \$645 million appropriated to date. These funds will enable us to continue all ongoing work, including projects initiated in fiscal years 1975 and 1976.

I would like to briefly highlight some of the programs included in our request.

Bureau of Reclamation

The fiscal year 1977 budget proposed for the Bureau of Reclamation totals \$752 million in new appropriations compared to \$641 million in new and supplemental appropriations for fiscal year 1976, an increase of approximately \$110 million. The total program for water resource development activities of the Bureau, which includes applied revenues, non-Federal advances and carryover funds from prior years, totals \$849 million, an increase of \$102 million over the total estimated program of \$747 million for the current fiscal year.

The increase in the fiscal year 1977 budget is due primarily to prior year budget decisions, and allows continuation of construction already in progress, including nine projects with new construction scheduled to be started in fiscal year 1976.

Construction

The Construction program continues work on 72 projects located throughout the 17 western states and requests new appropriations of \$561 million in fiscal year 1977, an increase of about \$99 million compared to the \$462 million provided during 1976. No new project starts are proposed for fiscal year 1977. Award of the prime contract for the Auburn Dam and Powerplant of the Central Valley Project in California and installation of two additional generators at Grand Coulee Dam of the Columbia Basin Project in Washington are both provided for in the budget program, as well as continued work on the Central Arizona Project and Title I activities of the Colorado River Salinity Control Project. The nine projects I mentioned above that are to be initiated in the current year are as follows:

Brantley Project, New Mexico	Dallas Creek Project, Colo.
San Felipe Division, Central Valley Project, Calif.	Fruitland Mesa Project, Colo.
Jensen Unit, Central Utah Project	Narrows Unit, Colo.
Savery Pot-Hook Project, Colo. and Wyo.	O'Neill Unit, Nebr.
	North Loup Div., Nebr.

In addition to the \$561 million of new appropriations requested for Construction activities we have included in the budget totals \$26.5 million in trust funds. This amount is primarily associated with the cost-sharing by non-Federal interests in the construction of the Hayden-Ault transmission line of the Upper Colorado River Storage Project (\$16.6 million), continuation of construction on the Nueces Project in Texas (\$1.5 million), and for work on the Bacon Siphon Tunnel No. 2 of the Columbia Basin Project (\$7.5 million).

Mr. Chairman, I would like to point out that in the area of hydro-power generation and transmission, the Department will be producing about one-sixth of the total National hydro-power in 1977 and will be marketing another one-sixth from Corps of Engineers' dams. The overall Departmental program provides for new generation construction of \$109 million, transmission facilities construction of \$195 million and electric power facility operations of \$235 million.

The appropriation request for the operation and maintenance activity of the Bureau of Reclamation is \$143 million for 32 projects which provide power, municipal and industrial water supplies, irrigation, and other benefits. This compares to \$132 million in fiscal year 1976, an increase of \$11 million. Reclamation's planning program under the title of General Investigations requests \$21 million for continued investigation and research activities. This amount will continue planning on 59 projects, initiate planning on seven projects and provide for reformulation of four projects. Other activities of the Bureau include \$22.6 million for general administrative expenses; \$1 million for the emergency fund and \$3 million for permanent appropriations.

Bonneville Power Administration

The Bonneville Power Administration's proposed fiscal year 1977 program will require no new appropriations. The direct program will be financed from operating receipts and borrowing authority provided for in the Federal Columbia River Transmission System Act (P.L. 93-454) and the reimbursable programs will be financed from amounts received from other Federal and non-Federal entities.

The Bonneville Budget for 1977 provides for a total direct program of almost \$300 million. The program will continue the (1) integration of new Federal and non-Federal generation into the transmission system, (2) improvement of system reliability, and (3) effective coordinated operation of the BPA system with the region's utilities for economy, efficiency, minimum environmental impact, and an adequate power supply.

The total includes \$46.7 million for operation and maintenance of the transmission system, \$65 million for acquiring power and wheeling costs, \$36.2 million for associated Federal Columbia River Power System project costs, and \$151.8 million for construction of transmission facilities. In addition, currently anticipated reimbursable programs are estimated at \$48.2 million.

The fiscal year 1977 Construction program of \$151.8 million compares to \$159.3 million for fiscal year 1976 and provides for continuation of construction on 1,295 circuit miles of transmission lines and start of construction on 48 circuit miles. Four principal system additions are proposed in fiscal year 1977. These facilities will integrate thermal generation to be constructed near Bellingham, Washington; integrate hydrogeneration from the second powerhouse at Bonneville Dam in Oregon; and improve reliability of service in Southeast Idaho and in the Richland, Washington, area.

Alaska Power Administration

The request for the Alaska Power Administration, headquartered in Juneau, Alaska, is \$1.9 million for fiscal year 1977, an increase of \$0.4 million over fiscal year 1976 appropriations of \$1.5 million.

The request covers operation and maintenance and power marketing for the two Federal hydroelectric projects in Alaska, and continuation of the general investigations program consisting of studies for further development and utilization of Alaska's water, power, and related resources.

The operating projects include the initial stage of the Snettisham Project which began commercial service to the Juneau area on December 1973, and the Eklutna Project east of Anchorage which is now in its 21st year of operation.

The investigations program includes studies addressing long-range needs for water, hydroelectric power and related resources development, and power marketing and transmission system studies, all of which relate to National objectives for energy conservation and energy self-sufficiency. The Alaska Power Administration is also serving as lead agency for a state-wide water resources assessment under the Water Resources Council program. The water assessment is scheduled for completion in fiscal year 1977.

Southeastern Power Administration

The request for the Southeastern Power Administration, headquartered at Elberton, Georgia, is \$1.1 million in fiscal year 1977, an increase of one hundred thousand dollars over the amount appropriated in 1976. During the budget year the Southeastern Power Administration will market power generated at 20 existing Corps of Engineers reservoir projects in a 10-state area. The power is presently marketed to 188 customers and negotiations currently underway are expected to involve several additional customers. The total installed capacity at the projects from which we will market power in fiscal year 1977 will be 2.7 million kilowatts. An additional project, Laurel in Kentucky, with 61,000 kilowatts, is scheduled to begin generation during fiscal year 1977.

Southwestern Power Administration

The request for Southwestern Power Administration, located in Tulsa, Oklahoma, is \$8.8 million of which \$960 thousand is for construction and \$7.8 million is for operation and maintenance. Compared with the \$6.8 million requested in 1976, the 1977 budget request represents an increase of \$2 million.

The Administration markets electric power produced at 21 Corps of Engineers hydroelectric projects and services customers in the States of Kansas, Oklahoma, Texas, Missouri, Arkansas and Louisiana. The 21 generating plants have a total capacity of 1.9 million kilowatts.

Water Resources Council

The budget request of \$9.5 million for the Water Resources Council in fiscal year 1977 represents a determined interagency effort to develop responsive programs which will better enable us to continue to fulfill the mandates of the Water Resources Planning Act.

A major initiative of the Council is the evolution of a National Planning Strategy (NPS), which is a system to appraise existing and proposed water

and related programs and policies, leading to sound recommendations to the President and Congress on Federal resource allocations to meet the water requirements of the Nation. The National Assessment and the evolving Comprehensive Coordinated Joint Plans of the River Basin Commissions are major components of this Strategy.

Another activity of major importance is the Council's Water for Energy Program. In conjunction with ERDA and other Federal agencies, the Council is undertaking assessments of water requirements and water supply availability for non-nuclear technologies. Also proposed in this budget are six additional level B studies. These comprehensive interagency and interdisciplinary studies are urgently needed to map the way for resolution of complex water and related land problems in the areas designated.

Mr. Warren Fairchild, Director of the Council, will elaborate more fully on the Council's programs when he presents their detailed budget later this morning.

Conclusion

Mr. Chairman, that concludes my remarks on the highlights of our overall Budget request. Other officials of the Department, representing the water and power development activities, will be presenting their individual budgets to you in the next few days and will be available to discuss their requests in detail.

Again may I say, Mr. Chairman and Members of the Committee, that it is a distinct pleasure and privilege to be here and I want to thank you for the opportunity of appearing before you today. My staff and I welcome any questions you might have.

STATEMENT OF THOMAS S. KLEPPE, SECRETARY OF THE DEPARTMENT OF THE
INTERIOR, BEFORE THE SENATE SUBCOMMITTEE ON APPROPRIATIONS FOR THE
DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Mr. Chairman:

Thank you for this opportunity to discuss the Department of the Interior's fiscal year 1977 budget request. As you know, this is my first appearance before this Committee in support of the Department's annual budget. I am aware that in past years the Department has received extensive support from this Committee in the consideration of our budget and I look forward to working with you in a joint effort to assure that our Nation's resources are protected and utilized wisely and that the welfare of our Indian and Territorial peoples remains a high priority.

Our fiscal year 1977 budget request for the Interior and Related Agencies Appropriation Bill totals \$2.553 billion, a decrease of \$5 million below the comparable level for 1976. In keeping with the President's objective to hold down Federal spending we have endeavored to place emphasis on the programs we feel are most important to the Nation at this time. Within the total, significant increases are included for:

- improved mineral lease management and environmental studies related to energy development;
- grants to implement the new Indian self-determination grant authority;
- mine safety enforcement and training; and
- operating the National Park System.

Increases have also been proposed for many other important programs included in the Interior bill such as endangered species operations, range improvements, water reuse research, coal mining research, and Indian loan guarantees. The increases have largely been offset by reductions in the rate of new construction, reduction in historic preservation and endangered species grants, and scheduled reductions in payments to the Alaska Native Fund.

LAND AND WATER RESOURCES

The appropriation request for Land and Water Resources activities totals \$283 million. Of this amount, the request for the Bureau of Land Management is \$261 million, an increase of \$23 million over 1976. This increase is generally spread across bureau programs to more fully provide the balanced management abilities recognized by the Congress last year. Major changes are:

- increases in energy and minerals management programs of \$13 million for a total of about \$104 million; and
- increases of about \$10 million in other programs such as range improvements, recreation management, liquidation of road construction contracts, cadastral surveys in Alaska, and maintenance.

The energy leasing program of the Department, funded primarily in the Bureau of Land Management and the Geological Survey, is a major factor in national energy production. Altogether, in 1977 these leases are expected to account for:

- 18 percent of domestic oil production;
- 29 percent of domestic gas production; and
- 12 percent of domestic coal production.

Oil production on Federal leases has been declining but has continued to be about 18 percent of domestic production over the past five years due to the overall decline in domestic oil production. Gas production on Federal lands has been increasing steadily, partially offsetting declining gas production on private lands. Coal production from existing leases on Federal lands is increasing rapidly and is projected at about 78 million tons in 1977--nearly twice the 1975 level. It will probably accelerate further over the next few years as the new Federal coal leasing policy which I announced January 26, begins to result in new leases. That policy adopts a new coal leasing process and will provide for strict standards for environmental protection and timely development. The budget did not forecast issuing new Federal coal leases and may require amendment sometime in the future.

The largest single item in the BLM energy budget is the oil and gas leasing program. The FY 1977 budget anticipates continuation of Outer Continental Shelf oil and gas leasing at the accelerated rate previously announced as well as for expansion of onshore oil and gas lease activity. Our OCS schedule contemplates leasing by 1978 in all frontier areas which have potential for the discovery and development of new domestic oil and gas resources. To meet this objective, we are considering six areas for lease each calendar year through 1978; nine of these potential sales occur during fiscal year 1977.

In conjunction with accelerated OCS leasing, 15 major environmental baseline and monitoring studies will be underway in frontier areas.

The BLM budget also provides increases for the rapidly accelerating environmental analysis workload in processing right-of-way applications for private energy developments and the increasing workload in non-energy minerals programs.

We are requesting an appropriation of \$22.3 million for the Office of Water Research and Technology, an increase of \$4 million over 1976. \$3.7 million of the increase is for a research and development program for water reuse in the areas of municipal, industrial, irrigation and other waste water. The development of technology applicable to waste water treatment is an important segment to the management of our water resources and could lead to an overall reduction in the demand for new supplies of water. Other highlights of the Office of Water Research and Technology's budget include:

- over \$9 million for water research grants and contracts; and,
- \$5.7 million for continuing grants to State and University water research institutes.

We will be concentrating saline and brackish water facility testing at Yuma, Arizona, in connection with the construction of a 100 million gallon per day brackish water conversion facility which is being funded in the Bureau of Reclamation. This will mean concluding operations at Wrightsville Beach, North Carolina, Roswell, New Mexico, and Fountain Valley, California.

FISH AND WILDLIFE AND PARKS

The appropriation request for the Fish and Wildlife Service, the National Park Service and the Bureau of Outdoor Recreation totals \$791 million.

The full annual funding amount of \$300 million is proposed for the Land and Water Conservation Fund which is administered by the Bureau of Outdoor Recreation. This proposal would provide:

- \$175.5 million for matching grants to States for outdoor recreation planning, land acquisition and facilities development.
- \$117.8 million for Federal land acquisition including
 - \$77.3 million for National Parks,
 - \$30.0 million for National Forests,
 - \$8.5 million for Wildlife Refuges, and
 - \$2.0 million for National Rivers and Trails administered by the Bureau of Land Management.

Line item funding is provided for acquisition at 43 important areas including Big Thicket and Big Cypress, Voyageurs, Cuyahoga Valley, Sleeping Bear Dunes, Sawtooth, Rogue River, Lower St. Croix, and the Appalachian Trail.

Appropriations requested for the National Park Service total \$356 million including:

- \$273 million for Operating the National Park System;
- \$33 million for Planning and Construction; and,
- \$10 million for preservation of historic properties grants.

The request provides for increases in park operations and facility construction, offset by reductions in road construction, historic preservation grants and Bicentennial special events.

The operating increases provided for the National Park Service will improve resource protection and interpretation programs, and maintenance levels throughout the National Parks and upgrade our concessions management operation. Proposed funding for park operations is up 114 percent over five years ago. In contrast to the general trend, park facilities construction is proposed to increase--primarily to upgrade water and sewage systems and protect historic resources.

The appropriation request for the Fish and Wildlife Service for 1977 is \$130 million. This represents a decrease of \$16 million below 1976 and is made up of a \$2.2 million increase in their Resource Management account offset by decreases totaling \$18.5 million in construction and in the Migratory Bird Conservation account. While no "advance" appropriations are requested for the Migratory Bird Conservation account, an estimated \$12 million will be available from receipts for the purchase of wetlands.

Operating increases proposed for the Fish and Wildlife Service would improve protection for endangered species, initiate a National Wetlands inventory, and expand our knowledge of fish and wildlife management and protection requirements. The higher level of funding for refuge management provided by Congress in FY 1976 is proposed for continuation in 1977.

ENERGY AND MINERALS

The appropriation request for our geologic, minerals resource and mine safety programs totals \$529 million, an increase of \$16 million over 1976.

Well over half of this amount, \$284 million, is for the Geological Survey. Appropriations proposed for the Geological Survey are up about \$12 million net, but include a substantial redirection from traditional activities such as standard quadrangle mapping, regional geologic mapping, general hydrologic investigations and offshore geologic reconnaissance to more urgent work such as:

- intermediate scale mapping of areas requiring current planning data;
- improving the National Cartographic Information Center;
- water resource studies of potential coal and oil shale mining areas and nuclear waste disposal;
- low sulfur coal resource studies in Appalachia and the Western states;

- uranium and thorium resource assessment; and,
- environmental studies of geologic hazards and processes related to nuclear and other energy development.

An increase of over \$18 million for a total of \$63 million is proposed for the mineral resource evaluation and lease regulation operations of the Geologic Survey's Conservation Division. The principal factors in this expansion are:

- tract selection workload for OCS lease sales will increase substantially to select tracts with high resource potential and assure that the Government receives a fair return for use of its resources;
- additional staffing will be required to regulate operations in OCS areas being considered for leasing during the next several years;
- an inventory of OCS oil and gas reserves will be initiated;
- increases in onshore oil and gas leasing activities are proposed to keep pace with the increasing workload, as well as to improve the quality of lease management in every facet of lease operations, including exploration, development, production, storage, receipt of fair market value, and diligent development of Federal oil and gas reserves; and

- additional funding also is proposed to keep pace with expanded coal production from existing leases on Federal and Indian lands.

These increases will be partially offset by decreases in programs for more general geologic reconnaissance and examination of geothermal and OCS resources.

The appropriation request for the Bureau of Mines is \$155 million a net decrease of \$4.5 million below the 1976 level of funding.

We have programmed an increase of just over \$5 million for coal mining research, a very high priority item if this Nation is to progress toward its goals of energy independence. This \$5 million increase, however, is more than offset by decreases caused by completion of projects which were non-recurring in nature including construction funding to test the Bureau of Mines stack gas desulfurization process.

This budget for the Bureau of Mines reflects a high priority on expanding coal extraction and coal preparation technology to increase productivity and production in coal mining, while furthering the Nation's conservation and environmental aims.

Other continuing Bureau of Mines programs stress:

- health and safety research to improve on-the-job protection for mine workers;
- minerals processing technology research;
- minerals data collection and analysis activities...this

important function must be continued because the entire Nation--governmental and private sector--makes program decisions upon the data base accumulated in Bureau of Mines.

The FY 1977 budget request for MESA, increased from \$83 million to \$90 million, reflects our determination to improve the working environment for this Nation's miners.

Since 1973, the number of coal mines has increased more than 55 percent--from 3,117 to 4,941--and each one of these mines, new and old, require inspection services as mandated by the Federal Coal Mine Health and Safety Act. One hundred and sixty-two employees are proposed to be added for enforcement of health and safety regulations and to save lives by preventing accidents.

We are not directing our increased efforts for mining health and safety solely to the coal mining field. In metal and non-metal mines, we are hoping to improve the working environment for our miners with a new program aimed at "high rate" health and accident hazard mines. Sixty-four additional personnel are proposed to provide regular inspection services to these problem areas.

FY 1977 will mark the opening of the Nation's first academic institution devoted solely to furthering mine health and safety. The National Mine Health and Safety Academy, located in Beckley, West Virginia, will train people in mine health and safety. It will have a \$4.4 million annual budget, and an average enrollment of 400

students. It marks a great step forward in preventing accidents, in saving lives, and in improving the health and safety of the miner.

INDIAN AFFAIRS

The 1977 request for the Bureau of Indian Affairs totals \$798 million which is a decrease of \$13 million from 1976. Although in total the request is down from 1976, increases are included for most Indian programs except in the case of facilities construction, the Alaska Native Fund and the Revolving Loan Fund.

The Alaska Native Fund request is \$30 million and is in accordance with the schedule set forth in the Alaska Native Claims Settlement Act. The amounts appropriated for FY 1976 and the transition quarter were \$70 and \$40 million respectively. In construction, the request for new project funding is some \$33 million below 1976. New funding is proposed for four needed Indian schools in Alaska and New Mexico and \$22 million is proposed to keep the Navajo irrigation project on schedule.

I am pleased to inform you that the regulations to implement the Indian Self-Determination program are now in effect and all preliminary indications are that interest on the part of most tribes is very high. The 1977 budget includes \$32.9 million for this purpose and will enable tribes to strengthen their local governments and take advantage of the opportunity to plan and contract for the operation of Federal programs for their benefit.

Other highlights of the BIA budget are:

- continuation of the Indian Action Team program at the 1976 level;
- \$24.3 million for law enforcement programs;
- an increase of \$2.7 million for trust responsibilities with primary emphasis on protecting Indian water and property rights;
- \$88.7 million for development of tribal resources with major efforts directed to increasing opportunities for Indian employment and intensifying development and utilization of natural resources;
- \$20.0 million for the Loan Guaranty and Insurance Fund; and,
- \$69.1 million for reservation road construction.

TERRITORIES

The appropriation request for Territorial activities is \$104 million, a decrease of about \$8 million from 1976. Most of the decrease stems from completed funding in 1976 of the amount authorized to pay Micronesian war claims, and one-time funding in 1976 of a \$3.0 million ex-gratia payment to the residents of Bikini Atoll and \$1.5 million to aid in the transition of the Northern Marianas to Commonwealth status. Principal items included in the 1977 request are:

- \$82 million for the Trust Territory of the Pacific Islands; and,
- \$22 million for American Samoa and the Guam economic development fund.

Mr. Chairman, that concludes my prepared remarks. I will be happy to answer any questions you may have.

H. SUPPLEMENTAL AND
AMENDMENT SAMPLES

At
Waite

AMENDMENTS TO THE FISCAL YEAR 1977
BUDGET FOR THE DEPARTMENT OF
THE INTERIOR

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 1977
IN THE AMOUNT OF \$23,282,000 FOR THE DEPARTMENT OF
THE INTERIOR



JUNE 8 (legislative day, JUNE 3), 1976.—Referred to the Committee on
Appropriations and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1976

57-012

THE WHITE HOUSE,
Washington, June 8, 1976.

The PRESIDENT OF THE SENATE.

SIR: I ask the Congress to consider amendments to the request for appropriations transmitted in the budget for the fiscal year 1977 in the amount of \$23,282,000 for the Department of the Interior.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

GERALD R. FORD.

(1)

[Estimate No. 87, 94th Cong., 2d sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., June 8, 1976.

The PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration amendments to the requests for appropriations transmitted in the budget for the fiscal year 1977, involving an increase of \$23,282,000 for the Department of the Interior. The details of these requests are contained in the enclosure to this letter.

I have carefully reviewed these requests and I am satisfied that they are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

PAUL H. O'NEILL,
Acting Director.

PROPOSED 1977 BUDGET AMENDMENTS

DEPARTMENT OF THE INTERIOR

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
BUREAU OF LAND MANAGEMENT				
427	Management of lands and resources.....	\$208,740,000	\$10,540,000	\$219,280,000

This proposed amendment will provide funds to commence preparation of seven regional environmental impact statements needed for considering major coal development decisions, to do management framework planning, to aid in the selection of tracts for potential leasing, and to purchase 187 vehicles necessary for field programs.

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
BUREAU OF RECLAMATION				
442	Administrative provisions..... (In the first paragraph under this heading delete "twenty-one" and insert in lieu thereof <i>forty-four</i> and insert of which <i>twenty-one</i> shall be immediately before "for replacement only".)			

This proposed amendment would authorize the purchase of vehicles necessary for implementing Bureau of Reclamation field programs.

(3)

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
GEOLOGICAL SURVEY				
462	Surveys, Investigations, and research.....	284,308,000	11,850,000	296,158,000

This proposed amendment will provide funds to collect hydrologic data in areas that could be disturbed by coal mining, to do necessary coal resource mapping, to implement new surface mining regulations, and to evaluate coal resources prior to lease sales. Funds also are provided to prepare for Interior assumption of management responsibility for the National Petroleum Reserve in Alaska under P.L. 94-258, signed April 5, 1976, and to replace supplies and equipment destroyed in the fire of March 19, 1976 at the Federal Center, Denver.

PROPOSED 1977 BUDGET AMENDMENTS

DEPARTMENT OF THE INTERIOR

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
MINING ENFORCEMENT AND SAFETY ADMINISTRATION				
465	Salaries and expenses.....	\$90,148,000	\$892,000	\$91,040,000
466	Administrative provisions..... (In the paragraph under this heading delete the colon after "first-aid work" and insert in lieu thereof and so the purchase of not to exceed 195 passenger motor vehicles.)			

These proposed amendments provide funds to permit the purchase of vehicles necessary for implementing mine health and safety programs.

SUPPLEMENTAL APPROPRIATIONS AND
BUDGET AMENDMENTS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

PROPOSED SUPPLEMENTAL APPROPRIATIONS AND BUDGET
AMENDMENTS FOR THE DEPARTMENT OF THE INTERIOR AND
THE JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION
FOR ALASKA



APRIL 8, 1976.—Referred to the Committee on Appropriations
and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1976

57-012

THE WHITE HOUSE,
Washington, April 8, 1976

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I ask the Congress to consider, for the Department of the Interior and the Joint Federal-State Land Use Planning Commission for Alaska, fiscal year 1976 and transition quarter supplemental appropriations and amendments to 1977 appropriations requested in the 1977 budget. New budget authority requests total \$6,375,000 for fiscal year 1976, \$1,100,000 for the transition quarter, and \$12,664,000 for fiscal year 1977. Also requested is \$10,000,000 in liquidation of contract authority for fiscal year 1976.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

GERALD R. FORD.

(11)

[Estimate No. 31, 94th Cong., 2d sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 8, 1976.

The PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration, for the Department of the Interior and the Joint Federal-State Land Use Planning Commission for Alaska, proposed supplemental appropriations for fiscal year 1976 and the transition quarter and amendments to 1977 appropriations requests in the 1977 budget. New budget authority requests total \$6,375,000 for fiscal year 1976, \$1,100,000 for the transition quarter, and \$12,664,000 for fiscal year 1977. An additional \$10,000,000 is requested for liquidation of contract authority in fiscal year 1976. The details of these requests are contained in the enclosure to this letter.

I have carefully reviewed the proposals for appropriations contained in this document and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

JAMES T. LYNN, *Director.*

Enclosures.

(7)

1976 and transition quarter supplementals)

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the national park system", \$3,875,000.

For an additional amount for "Operation of the national park system" for the period July 1, 1976, through September 30, 1976, \$25,000.

These funds will be used to make lease payments associated with the National Visitor Center, to increase patrols by the U.S. Park Service in the area of Washington, D.C. between the Capitol and the Memorial for the protection of Bicentennial visitors, and to cover the cost of forest fire suppression and rehabilitation of burned areas in national parks.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research", \$900,000.

For an additional amount for "Surveys, investigations, and research" for the period July 1, 1976, through September 30, 1976, \$225,000.

These funds are needed to pay increased utilities overtime charges of the General Services Administration for the National Center Complex in Reston, Virginia.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For an additional amount for "Operation of Indian programs", \$1,500,000.

These funds will be used to provide grants to certain Alaska native groups as required by section 14 of Public Law 94-204, enacted January 2, 1976.

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORITY)

For an additional amount for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203, as amended by the Federal-Aid Highway Amendments of 1974, \$10,000,000, to remain available until expended.

These funds will be used to improve the highway facilities serving the northern portion of the Navajo Indian Reservation, in order to promote natural resource development in that area.

Approved 1977 Budget amendments:)

(Proposed 1976 and transition quarter supplementals:)

DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the national park system", \$3,875,000.

For an additional amount for "Operation of the national park system" for the period July 1, 1976, through September 30, 1976, \$875,000.

These funds will be used to make lease payments associated with the National Visitor Center, to increase patrols by the U.S. Park Police in the area of Washington, D.C. between the Capitol and the Lincoln Memorial for the protection of Bicentennial visitors, and to cover the cost of forest fire suppression and rehabilitation of burned areas in national parks.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research", \$900,000.

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ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORITY)

For an additional amount for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203, as amended by the Federal-Aid Highway Amendments of 1974, \$10,000,000, to remain available until expended.

These funds will be used to improve the highway facilities serving the eastern portion of the Navajo Indian Reservation, in order to facilitate natural resource development in that area.

(Proposed 1977 Budget amendments:)

(1)

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
480	Road construction.....	\$27,205,000	\$10,000,000	\$37,205,000

OFFICE OF TERRITORIAL AFFAIRS

This proposed amendment replaces unobligated balances planned in the 1977 budget for use in 1977, but now requested elsewhere in this document for use in 1976. Consequently, these additional 1977 funds are needed to permit continuation of the 1977 program level proposed for this program.

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
485	Administration of territories.....	\$21,862,000	\$2,184,000	\$24,046,000

This proposed amendment will provide funds for road construction in American Samoa.

OTHER INDEPENDENT AGENCIES

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
787	Salaries and expenses.....	\$60,000	\$480,000	\$540,000

This amendment will enable the Commission to operate for the entire fiscal year 1977 as provided in Public Law 94-204, enacted January 2, 1976. The Alaska State Government will continue to meet one-half of the expenses of this commission as provided by the Alaska Native Claims Settlement Act, as amended.

I. RESCISSION AND
DEFERRAL SAMPLES

NOTICES

OFFICE OF MANAGEMENT AND BUDGET

PROPOSED BUDGET RESCISSIONS AND REVISED DEFERRAL

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith propose three rescissions of 1977 budget authority totalling \$134.1 million. The rescission proposals affect programs of the Corps of Engineers and the Departments of the Interior and Transportation.

In addition, I am reporting an increase of \$133,000 to a 1976 and transition quarter deferral involving the wildlife conservation, etc., military reservations programs.

The details of the proposed rescissions and the revised deferral are contained in the attached reports.

Gerald R. Ford

THE WHITE HOUSE, September 22, 1976.

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

Fiscal 1977 Rescissions

<u>Rescis- sion #</u>	<u>Item</u>	<u>Budget Authority</u>
R77-2	Corps of Engineers-Civil Revolving fund.....	6,600
R77-3	Interior Bureau of Mines Helium fund.....	47,500
R77-4	Transportation Federal Highway Administration Highway crossing federal projects.....	<u>35,000</u>
		89,100

1976 and Transition Quarter Deferral

<u>Deferr- al #</u>	<u>Item</u>	<u>Budget Authority</u>
D76-6B	Defense-Civil Miscellaneous Accounts Wildlife conservation, etc., military reservations.....	348

NOTICES

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

	<u>Rescissions</u>
First special message.....	45,000
Second special message.....	<u>89,100</u>
 Total amount proposed in special messages.....	 134,100 (in 4 rescis- sion proposals)

SUMMARY OF SPECIAL MESSAGES
FOR FY 1976 AND THE TRANSITION QUARTER
(amounts in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
This special message:		
New items.....	---	---
Changes to amounts previously submitted.....	<u>---</u>	<u>133</u>
Effect of this special message.....	---	133
Previous special messages.....	3,582,064	8,346,408
Adjustments to eliminate double counting.....	<u>---</u>	<u>-242,023</u>
 Total amount proposed in special messages.....	 3,582,064 (in 50 rescis- sion proposals)	 8,104,518 (in 117 deferrals)

NOTE: All amounts listed represent budget authority except for \$114,828,220 consisting of two general revenue sharing deferrals (of outlays only). Supplementary reports for these deferrals (D76-25F and D76-67A) are included in the seventeenth 1976 and transition quarter special message.

Deferral No: D77-19

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

Agency Department of the Interior	New budget authority (P.L. 30 U.S.C. 229a) \$ <u> -- </u>
Bureau Geological Survey	Other budgetary resources (Est.) <u>30,000</u>
Appropriation title & symbol Payments from Proceeds, Sale of Water, Mineral Leasing Act of 1920, Sec. 40(d) 14X5662	Total budgetary resources (Est.) <u>30,300</u>
OMB identification code: 14-5662-0-2-301 1/	Amount to be deferred: Part of year \$ <u> -- </u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Entire year <u>30,300</u>
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
	Type of budget authority: <input type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input checked="" type="checkbox"/> Other permanent, indefinite, special

Justification

Section 40(d) of the Mineral Leasing Act of 1920 [30 U.S.C. 229(a)] provides that when lessees or operators drilling for oil or gas on public lands strike water, water wells may be developed by the Department from the proceeds from sale of water from existing wells. Receipts have been accruing to this permanent account at the rate of about \$1,500 per year. At the start of fiscal year 1965, the account had an unobligated balance of \$16,000. It is estimated that by the start of fiscal year 1977 the unobligated balance will be \$30,300. None of these receipts have been obligated over the past ten years and none are planned for obligation in fiscal year 1977 because the total available is too small to be put to practical use for the purpose designated by law. Deferral is planned because funds could not be used effectively during the current period even if made available for obligation. This reserve action is taken pursuant to the Antideficiency Act (31 U.S.C. 665).

Estimated Effects

There will be no programmatic impact in fiscal year 1977 since the receipts will continue to accrue but will remain unobligated until such time as an amount is available which can be used for effective purposes.

Outlay Effect

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

The OMB identification code that appeared in the FY 1977 budget was 10-28-5662-0-2-301.

DEPARTMENT OF THE INTERIOR
 STATUS OF DEFERRALS, FISCAL YEAR 1977
 (Amounts in thousands)

Bureau/Account	Deferral No.	Amount transmitted in special message		Date of action	Releases resulting from subsequent actions taken by -			Amount deferred as of Nov. 1, 1976
		Superseded	Current		OMB/agency	House	Senate	
<u>Bureau of Land Management</u>								
Oregon and California grant lands	D77-16	.....	5,426	Oct. 1, 1976				5,426
This appropriation is based on timber sale receipts and the amount available can only be estimated. This deferral cushions fluctuating receipt levels.								
<u>Bureau of Outdoor Recreation</u>								
Land and Water Conservation Fund	D77-17	.....	30,000	Oct. 1, 1976				30,000
This is contract authority that becomes available each year and is in addition the \$397 million appropriation enacted for F.Y. 1977. This C/A has lapsed each year since F.Y. 1971.								
<u>National Park Service</u>								
Road construction	D77-18	.....	3,245	Oct. 1, 1976	-3,245			--
Funds initially deferred have been released by OMB to complete work on the National Visitor Center.								
<u>Geological Survey</u>								
Payment from proceeds, sale of water	D77-19	.....	30	Oct. 1, 1976				30
Receipts from this account have been accruing for the past 10 years but the amount available is too small to put to practical use.								
<u>Bureau of Mines</u>								
Drainage of anthracite mines	D77-20	.....	3,525	Oct. 1, 1976				3,525
These funds are available on a matching basis with the Commonwealth of Pennsylvania. Pennsylvania does not expect to provide further matching during the year.								
					<hr/>			
					-3,245			38,981

This table shows the current status of deferred appropriations.

Office of Budget
 Nov. 16, 1976

DEPARTMENT OF THE INTERIOR

STATUS OF RESCISSIONS

(Amounts in thousands of dollars)

as of November 1, 1976

<u>Bureau</u>	<u>Rescis- sion Number</u>	<u>Amount Proposed for Rescission</u>	<u>Date Special Message Transmitted to Congress</u>	<u>Amount Rescinded</u>	<u>Date Rescission Act Signed</u>	<u>Amount Made Available</u>	<u>Date Made Available</u>
<u>Bureau of Mines</u>							
Helium fund	R77-3	47,500	09-22-76	(Rescission resolution not yet enacted)			

Contract authority is provided annually for the purchase of helium under the provisions of P.L. 87-122. Government purchases of helium have been terminated however, and no resumption of purchasing is anticipated at this time.

J. SAMPLE OF AN APPROPRIA
TIONS ACT



Public Law 94-373
94th Congress, H. R. 14231
July 31, 1976

An Act

Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977, and for other purposes, namely:

Department of
the Interior
and Related
Agencies Ap-
propriation
Act, 1977.

TITLE I—DEPARTMENT OF THE INTERIOR LAND AND WATER RESOURCES

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, \$223,829,000.

CONSTRUCTION AND MAINTENANCE

For acquisition, construction and maintenance of buildings, appurtenant facilities, and other improvements, and maintenance of access roads, \$10,160,000, to remain available until expended.

PUBLIC LANDS DEVELOPMENT ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORITY)

For liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203, \$5,000,000, to remain available until expended: *Provided*, That \$13,900,000 of unobligated balances of contract authority provided by the Federal-Aid Highway Act of 1973 (P.L. 93-57) and proposed to be unobligated as of September 30, 1977, is hereby rescinded effective October 1, 1976.

23 USC 101
note.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of rights-of-way and of existing connecting roads on or adjacent to such lands; an amount equivalent to 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands, to remain available until expended: *Provided*,

standing any other provisions of law, payments to States made in fiscal year 1977, under the Mineral Leasing Act of 1920 (30 U.S.C. 191, 30 U.S.C. 285), will be based on receipts collected during the period July 1, 1976, through March 31, 1977: *Provided further*, That notwithstanding any other provisions of law, Bureau of Land Management payments to States and counties made in fiscal year 1977, under statutes other than the Mineral Leasing Act of 1920, will be based on receipts collected during the period July 1, 1976, through September 30, 1976.

OFFICE OF WATER RESEARCH AND TECHNOLOGY

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Water Resources Research Act of 1964, as amended (42 U.S.C. 1961-1961e-7), and the Saline Water Conversion Act of 1971, as amended (42 U.S.C. 1959-1959h), \$18,923,000, of which \$7,540,000 shall remain available until expended.

FISH AND WILDLIFE AND PARKS

BUREAU OF OUTDOOR RECREATION

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Outdoor Recreation, not otherwise provided for, \$5,961,000.

LAND AND WATER CONSERVATION FUND

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965 as amended (16 U.S.C. 4601-4-11), including \$6,686,000 for administrative expenses of the Bureau of Outdoor Recreation during the current fiscal year, and acquisition of land or waters, or interest therein, in accordance with the statutory authority applicable to the State or Federal agency concerned, to be derived from the Land and Water Conservation Fund, established by section 2 of said Act as amended, to remain available until expended, not to exceed \$397,656,000, of which (1) not to exceed \$175,516,000 shall be available for payments to the States in accordance with section 6(c) of said Act; (2) not to exceed \$144,603,000 shall be available to the National Park Service; (3) not to exceed \$52,506,000 shall be available to the Forest Service; (4) not to exceed \$15,745,000 shall be available to the United States Fish and Wildlife Service; and (5) not to exceed \$2,000,000 shall be available to the Bureau of Land Management.

16 USC 4601-5.

16 USC 4601-8.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; and maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, \$128,861,000, of which not to



Public Law 94-355
94th Congress, H. R. 14236
July 12, 1976

An Act

Making appropriations for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1977, for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions, and for other purposes, namely:

Public Works
for Water
and Power
Development
and Energy
Research
Appropriation
Act, 1977.

TITLE I—ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

OPERATING EXPENSES

For necessary operating expenses of the Administration in carrying out the purposes of the Energy Reorganization Act of 1974; hire, maintenance, and operation of aircraft; publication and dissemination of atomic and other energy information; purchase, repair, and cleaning of uniforms; official entertainment expenses (not to exceed \$25,000); reimbursement of the General Services Administration for security guard services; hire of passenger motor vehicles; \$4,147,563,000 and any moneys (except sums received from disposal of property under the Atomic Energy Community Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)) received by the Energy Research and Development Administration, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 481), to remain available until expended: *Provided*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That the amount appropriated in any other appropriation act for "Operating expenses" for the Energy Research and Development Administration for the fiscal year ending September 30, 1977, shall be merged, without limitation, with this appropriation: *Provided further*, That this appropriation shall be available only upon the enactment into law of authorizing legislation.

42 USC 5801
note.

42 USC 2301
note;
50 USC 98
note.

FLOOD CONTROL AND COASTAL EMERGENCIES

33 USC 701n. For expenses necessary for emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act, approved August 18, 1911, as amended, \$22,140,000, to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors and the Coastal Engineering Research Center; commercial statistics; and miscellaneous investigations; \$47,200,000.

SPECIAL RECREATION USE FEES

16 USC 4601-6a. For construction, operation, and maintenance of outdoor recreation facilities, including collection of special recreation use fees, to remain available until expended, \$2,000,000, to be derived from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601): *Provided*, That not more than 40 per centum of the foregoing amount shall be available for the enhancement of the fee collection system established by section 4 of such Act, including the promotion and enforcement thereof.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance by military personnel at meetings in the manner authorized by 5 U.S.C. 4110, uniforms, and allowances therefor, as authorized by law (5 U.S.C. 5901-5902), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; not to exceed \$10,000 for official reception and representation expenses; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed one hundred and sixty-nine of which one hundred and sixty-seven shall be for replacement only), and hire of passenger motor vehicles: *Provided*, That the total capital of the revolving fund shall not exceed \$291,000,000.

TITLE III—DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

43 USC 371 and note. For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau, as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing

projects, to remain available until expended, \$24,762,000: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further*, That \$554,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

16 USC 661
note.

CONSTRUCTION AND REHABILITATION

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, \$348,811,000, of which \$214,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer: *Provided further*, That the final point of discharge for the interceptor drain for the San Luis Unit shall not be determined until development by the Secretary of the Interior and the State of California of a plan, which shall conform with the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

For an additional amount for "Construction and rehabilitation", to become available immediately upon enactment of this Act, to remain available until expended, \$260,000,000: *Provided*, That this additional amount may be made available without reimbursement: *Provided further*, That this appropriation is for the payment of claims for damages to or loss of property, personal injury, or death proximately resulting from the failure on June 5, 1976, of the Teton River Dam, in accordance with such rules and regulations of the Secretary of the Interior as may be necessary and proper for the purpose of administering such claims and of determining the amounts to be allowed pursuant to this appropriation and the persons entitled to receive the same: *Provided further*, That nothing herein shall be construed to impose any liability on the United States or to allow for payment of claims that are paid or payable from any other source, public or private: *Provided further*, That of funds available to the Bureau of Reclamation pursuant to Public Law 94-180 under this appropriation title, not to exceed \$200,000, to remain available until expended, may be transferred without reimbursement, with the approval of the Secretary of the Interior, to "Salaries and Expenses", Office of the Secretary, to provide for expenses related to investigations of the structure failure, the expenditure of which funds shall not be subject to the limitation on services as authorized by title 5, United States Code, section 3109, as contained in section 104 of Public Law 94-165.

89 Stat. 1039.

89 Stat. 990.

K. SAMPLE OF AN APPROP-
RIATIONS COMMITTEE REPORT

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1218

DEPARTMENT OF THE INTERIOR AND RELATED
AGENCIES APPROPRIATION BILL, 1977

JUNE 8, 1976.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. YATES, from the Committee on Appropriations, submitted the
following

REPORT

together with

SEPARATE VIEWS

[To accompany H.R. 14231]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1977. The bill provides regular annual appropriations for the Department of the Interior (except Bonneville Power Administration, Bureau of Reclamation, Southeastern Power Administration, and Alaska Power Administration) and for other related agencies, including the U.S. Forest Service, the Energy Research and Development Administration, and the Federal Energy Administration.

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COMMITTEE OVERVIEW AND OBSERVATIONS

The Committee is recommending an appropriation bill which is, in the aggregate, under the amount recommended in the Administration budget, as amended. To attain this result, the Committee recommends major decreases, as well as increases, from the budget. The increases recommended above the budget estimate fall into several categories described below:

1. RESTORATION OF CUTS MADE BY THE ADMINISTRATION

The budget proposed by the Administration included cutbacks in many programs which the Congress has authorized and which the Committee believes are useful. The Committee, the Congress, and the public have given these programs strong support in the past, and the Committee cannot understand why the reductions were proposed by the Office of Management and Budget. The Committee therefore, has recommended increases above the budget estimates for these programs as follows:

Historic preservation grants.....	+\$5,000,000
Endangered species grants.....	+1,000,000
Wetland acquisition loan fund.....	+7,500,000
Youth Conservation Corps.....	+28,000,000
Cooperation in forest fire control.....	+8,834,000
Geological Survey programs.....	+11,838,000

2. CONTINUATION OF COMMITTEE INITIATIVES

In the past three years, the Committee has initiated programs to eliminate unjustified backlogs in reforestation and range management. These programs were undertaken in the belief that the resources of the public lands belonged to all the people and should be protected and enhanced for generations to come. Numerous reports have documented the poor condition of grazing lands resulting from overgrazing and insufficient management. Millions of acres of forest lands remain unre-

forested. The Committee initiatives are intended to change that situation.

The budget estimates from the Forest Service were adequate to eliminate the reforestation backlog in ten years. In other areas, however, the budget was deficient. The Committee has, therefore, recommended increasing the budget by \$1,100,000 for forest management in the Bureau of Land Management, \$6,000,000 for rangeland management and associated programs for the Bureau of Land Management, and \$2,000,000 for rangeland management in the Forest Service. The Committee expects that unless legislation is enacted to the contrary, the Departments of Interior and Agriculture will continue the grazing fee schedule set forth in last year's report. In addition, the Committee has recommended an increase of \$5,500,000 in the budget for the forestry program of the Bureau of Indian Affairs. This increase will begin a ten year program to eliminate the reforestation backlog on Indian lands and increase the future harvests from these lands. The resources of Indian lands must be protected from abuse. This has not always been done in the past. The Committee believes it is important to begin now to assure the improvement of these resources for future generations.

3. INDIAN PROGRAMS

The Committee strongly supports the concept of the recently enacted Indian Self-Determination and Educational Assistance Act. That act established as policy the assurance of "maximum Indian participation in the direction of educational as well as other Federal services to Indian people . . . the maintenance of the Federal Government's unique and continuing relationship with and responsibility to Indian people . . . [and to] provide the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice."

It is important for Indian tribes to have the flexibility to develop the human and physical resources of their reservations as they see fit. In most cases, the accomplishment of this objective means the investment of additional dollar resources. The Committee notes that the funds provided by the Committee in past years have resulted in notable improvement in the condition of Indian people. But much more remains to be done. The Committee recommends appropriations of new budget authority for Indian programs aggregating \$1,222,254,000 for fiscal year 1977. This is a net increase of \$53,922,000 above the amount appropriated in fiscal year 1976 and a net increase of \$61,865,000 over the budget estimate.

Major increases over the budget recommended by the Committee include the following:

Assistance to formerly private schools.....	+ \$3,000,000
Johnson-O'Malley assistance to public schools.....	+5,000,000
Law enforcement.....	+1,500,000
Forestry and Agriculture.....	+5,500,000
Indian action teams.....	+6,000,000
Rights protection.....	+2,000,000
Housing.....	+1,000,000
Facilities management.....	+4,000,000
Construction of BIA schools.....	+15,784,000
Public school construction.....	+8,922,000
Indian health services.....	+11,988,000
Indian health facilities.....	+30,318,000

The Committee believes that these increases are completely justified and will assist the Indian community in making further progress toward self determination.

RECOMMENDED DECREASES

The major decrease below the budget estimate is for the Strategic Petroleum Reserve program. The Committee is firmly committed to this essential program but believes that the schedule for acquiring petroleum for the reserve is optimistic. Funds provided in the Second Supplemental Appropriation Act, 1976, which will not become available until early June, will be used to undertake the multitude of activities which must precede acquisition of petroleum for storage, such as further studies, acquisition and construction of storage sites (mostly salt domes and mines), preparation of the storage areas (including acquisition of equipment) and determination of delivery schedules. The Committee, therefore, recommends that the appropriation provide for the purchase of 40 million barrels of oil instead of 50 million barrels of oil as proposed in the budget. The resulting decrease is \$110,000,000.

The Committee has also recommended a decrease of \$47,859,000 in the salaries and expenses appropriation of the Federal Energy Administration, including a reduction of \$25 million in the newly authorized State grant program for energy conservation. The Committee believes that the \$25 million recommended in the bill for this program will provide adequate funds until State plans are formulated. Other reductions are described in more detail later in this report.

The Committee has recommended other smaller decreases below the budget estimates for the Smithsonian Institution, the National Foundation on the Arts and the Humanities, and the American Revolution Bicentennial Administration. These decreases are fully explained later in this report.

END OF YEAR EMPLOYMENT CEILINGS FOR PERMANENT POSITIONS

In the report on last year's bill, the Committee expressed its concern about the impact on agency operations of end-of-year employment ceilings and the Committee requested the investigative staff to make a report on this situation. That investigation confirmed that these ceilings do indeed impose constraints on agency operations and result in wasteful and inefficient use of tax dollars. The investigative report included the following observations:

"Personnel ceilings have not effectively limited employment but have resulted in artificially contrived staffing practices." In the five bureaus reviewed, there were "over 9,000 employees who were actually working substantially full-time schedules but who were charged off for ceiling purposes as seasonal and intermittent help. . . . The short term implications of this artificial staffing situation include recruitment difficulties, morale problems, wasteful turnover and retraining, a watering down in the quality of the staff and the buildup of a caste system with two classes of employees."

"Contracting versus in-house performance decisions are seldom supported by cost studies," even though such studies are required by OMB Circular A-76. It is clear that in many instances con-

tracting is more expensive than in-house performance but "bureaus have little incentive to make cost analyses because additional personnel is usually not a viable alternative."

Playing the "ceiling game" (whereby thousands of employees are separated just before the end of the fiscal year and are rehired when the new fiscal year begins) was criticized as "wasting manpower, generating volumes of unnecessary paperwork, impugning the credibility of Government employment figures, confusing employees, and accomplishing nothing."

"Restrictions on hiring full-time staff have generally impaired the competitive recruiting position of these bureaus . . . Officials complained bitterly about the frustrations and the time wasted in having to explain to bright young college graduates why employment with the organization has to be on something less than a full-time basis."

It is clear that personnel ceilings greatly undermine the objective of maximum efficiency and economy in the expenditure of Federal funds. The Committee strongly believes that dollar levels and prudent management, rather than artificially contrived personnel ceilings, should govern the level of permanent positions allocated to an agency. The Committee expects that OMB and the various Departments will recognize the wastefulness and futility of artificially low ceilings.

The Committee recognizes that there is always some "lapse" between the number of authorized permanent positions and the actual number of permanent employees onboard at any time due to normal turnover. The Committee also recognizes that there is a legitimate need and place for less than full-time permanent positions, particularly where work is of a seasonal nature. The Committee also recognizes that the Executive Branch needs some flexibility in the assignment of personnel. But these, the Committee believes, should not be used as an excuse for mandating unreasonable ceilings whose only purpose is to reflect a false picture of actual conditions.

Throughout this report, the Committee has identified the number of authorized permanent positions for each agency. These numbers have been taken from justification material submitted to the Committee, adjusted for Committee changes which are explained in the report. The Committee expects that this level of permanent positions should be the basis on which personnel ceilings are established, taking into account a reasonable lapse rate. To the extent that the appropriation level places a constraint on the filling of authorized positions, the Committee directs that the Departments and agencies inform the Committee of the reasons for any necessary adjustments. Budget justification material for all agencies should show as the number of permanent positions only those positions which can reasonably be expected to be filled at some time during the fiscal year.

SUMMARY OF THE BILL

Item	Budget estimates, fiscal year, 1977	Recommended in bill	Comparison
Title I, Department of the Interior: New budget (obligational) authority	\$2,496,678,000	\$2,589,246,000	+\$92,568,000
Title II, Related Agencies: New budget (obligational) authority	3,144,132,000	2,999,934,000	-144,198,000
Grand total, new budget (obligational) authority	5,640,810,000	5,589,180,000	-51,630,000

**TOTAL APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND
RELATED AGENCIES**

In addition to the amounts in the accompanying bill, which are reflected in the table above, permanent legislation appropriates funds for the continuation of certain Government activities without consideration by the Congress during the annual appropriations process.

Details of these activities are listed in appropriate tables appearing at the end of this report. In fiscal year 1976 these activities are estimated to total \$858,015,863. The estimate for fiscal year 1977 is \$768,343,000.

The following table reflects the total budget (obligational) authority contained both in this bill and in permanent appropriations for fiscal years 1976 and 1977:

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES TOTAL BUDGET AUTHORITY FOR FISCAL YEARS 1976-77

Item	Fiscal year 1976	Fiscal year 1977	Change
Interior and related agencies appropriation bill.....	\$4,467,304,000	\$5,589,180,000	+\$1,121,876,000
Permanent appropriations, Federal funds.....	518,936,853	433,973,000	-85,013,863
Permanent appropriation, Trust funds.....	339,029,000	334,370,000	-4,659,000
Total, budget authority.....	5,325,319,863	6,357,523,000	+1,032,203,137

REVENUE GENERATED BY AGENCIES IN BILL

The following tabulation indicates total new obligational authority to date for fiscal years 1975 and 1976, and the amount recommended in the bill for fiscal year 1977. It compares receipts generated by activities in this bill on an actual basis for fiscal year 1975 and on an estimated basis for fiscal years 1976 and 1977.

Item	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977
New obligational authority.....	\$3,958,893,310	\$4,467,304,000	\$5,589,180,000
Receipts:			
Department of the Interior.....	3,228,102,000	3,929,814,000	7,018,913,000
Forest Service.....	373,051,441	405,415,000	408,475,000
Total receipts.....	3,601,163,441	4,415,229,000	7,507,388,000

UNAUTHORIZED PROGRAMS

The Committee has recommended appropriations for several ongoing programs where necessary annual or periodic authorizing legislation has not yet been enacted. In all cases, the appropriate legislation has been reported to the House of Representatives (or passed the House) by the May 15 deadline established by the new budget control legislation, and the amounts will be available only upon enactment of authorizing legislation. The unauthorized programs, together with the amounts recommended in the bill are as follows:

Saline water conversion programs (Office of Water Research and Technology) (H.R. 11539 passed House April 5, 1976)-----	\$9,700,000
Historic preservation grants (H.R. 12234 passed House May 5, 1976)-----	15,000,000
Energy Research and Development Administration (part) (H.R. 13350 passed House May 20, 1976)-----	545,345,000
Federal Energy Administration (H.R. 12169 reported to House May 10, 1976)-----	145,298,000
Indian Claims Commission (H.R. 11909 reported to House May 14, 1976)-----	1,525,000
National Foundation on the Arts and the Humanities (H.R. 12838 passed House April 23, 1976)-----	180,000,000
Endangered species (Fish and Wildlife Service) (H.R. 8092 passed House March 15, 1976)-----	9,198,000

The Committee has not recommended appropriations for the Pennsylvania Avenue Development Corporation because the necessary authorization for this program was defeated by the House earlier this year. Until authorizing legislation is enacted no appropriation can be made.

LIMITATION ON UNIT COST OF EMPLOYEE HOUSING

The committee has established the limitation on the unit cost of employee housing (regardless of the source of financing) in the continental United States, Alaska, Hawaii, and the Territories at \$45,000. This limitation includes engineering and design costs, but excludes provision of utilities to the lot line. Any exceptions to this monetary limitation must be submitted to the Committee for its advance review and approval. Employee houses must not exceed the standards outlined by the Committee in House Conference Report No. 2049, 87th Congress, 2d Session.

INFLATIONARY IMPACT STATEMENT

Clause 2(1)(4), Rule XI of the House of Representatives requires that each committee report on a bill or resolution shall contain a statement as to whether enactment of such bill or resolution may have an inflationary impact on prices and costs in the operation of the national economy. The committee estimates that enactment of this bill would have minimal overall inflationary impact on the national economy.

A significant part of the budget authority contained in this bill is for programs which generate revenue for the Federal Government, estimated at \$7.5 billion for fiscal year 1977. Therefore, the expenditures proposed in this budget will contribute to economic recovery, rather than inflation.

TITLE I--DEPARTMENT OF THE INTERIOR LAND AND WATER RESOURCES

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

Appropriation, 1976-----	\$216,463,000
Estimate, 1977-----	209,700,000
Recommended, 1977-----	218,299,000
Comparison:	
Appropriation, 1976-----	-164,000
Estimate, 1977-----	+6,599,000

The Bureau of Land Management is responsible for the conservation, management, and development of about 450 million acres of the Nation's public lands onshore and 544 million acres under 200 meters on the Outer Continental Shelf. In addition the Bureau administers mining leasing on other Federally owned lands, or former Federal lands where minerals have been reserved in public ownership, land which totals about 369 million acres.

In addition to the minerals management responsibility mentioned above, the Bureau of Land Management administers grazing of approximately 9.0 million head of livestock and 2.5 million big game animals. Grazing receipts are estimated to be about \$20.5 million in 1977 compared to receipts of \$16.6 million in FY 1976 and \$ 11.7 million in FY 1975. The Bureau also administers the sale of over 1.2 billion board feet of timber annually. Timber receipts are estimated to be \$143.0 million in 1977 compared to receipts of \$131.0 million in FY 1976 and \$108.2 million in FY 1975. Finally, the Bureau administers an active program of soil stabilization on 160 million acres of public lands covering about 2,000 watersheds. Practices are designed to conserve and develop public land soil and water resources, contouring and cultivation, revegetation, protective fencing, and water development.

The amount recommended by the Committee for fiscal year 1977 compared with the budget estimates by activity is as follows:

Activity	Budget estimates, fiscal year 1977	Committee bill, fiscal year 1977	Committee bill compared with budget estimates
Energy management-onshore...	\$17,129,000	\$17,129,000	-----
Energy management-offshore...	60,379,000	60,379,000	-----
Nonenergy minerals manage- ment.....	5,207,000	5,207,000	-----
Land and realty operations.....	28,758,000	28,758,000	-----
Trans-Alaska pipeline.....	7,847,000	7,847,000	-----
Forest management.....	6,023,000	7,123,000	+\$1,100,000
Water, forage, and habitat man- agement.....	35,408,000	41,108,000	+5,700,000
Recreation resource manage- ment.....	6,120,000	6,120,000	-----
Fire protection.....	8,422,000	8,422,000	-----
Planning for multiple use.....	7,085,000	7,085,000	-----
Cadastral survey.....	15,637,000	15,637,000	-----
Firefighting and rehabilitation.....	4,750,000	4,750,000	-----
General administration.....	4,724,000	4,724,000	-----
Pay and personnel costs.....	2,211,000	2,010,000	--201,000
Total, management of lands and resources...	209,700,000	216,299,000	+6,599,000

The changes recommended by the Committee in the budget estimate are as follows:

Timber management outside western Oregon (43 positions).....	+\$1,100,000
Soil and water resource management (10 positions).....	+1,000,000
Range management (102 positions).....	+4,000,000
Wildlife management (20 positions).....	+1,000,000
Pay and personnel costs.....	--201,000
Transfer of game ranges to Fish and Wildlife Service.....	--300,000

PUBLIC WORKS FOR WATER AND POWER DEVELOPMENT
AND ENERGY RESEARCH APPROPRIATION BILL, 1977

JUNE 17, 1976.—Ordered to be printed

Mr. STENNIS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 14236]

The Committee on Appropriations, to which was referred the bill (H.R. 14236) making appropriations for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development program, the Federal Power Commission, the Nuclear Regulatory Commission, the Tennessee Valley Authority, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes recommended:

Budget estimates considered by House.....	\$9, 220, 095, 000
Amount of bill as passed by House.....	9, 645, 609, 000
Increase by Senate Committee (net).....	+49, 176, 000
Amount of bill reported to Senate.....	9, 694, 785, 000
Budget estimates considered by Senate.....	9, 398, 895, 000
Amount of appropriations, 1976.....	7, 514, 156, 500
The bill as reported to the Senate—	
Over the budget estimates, 1977.....	295, 890, 000
Over the appropriation, 1976.....	2, 180, 628, 000

Note: The above amounts do not reflect the amount of \$200,000,000 requested by the President (H. Dec. 94-523) as a supplemental appropriation for fiscal year 1976/TQ and included in the bill as passed by the House and approved by the Committee for payments of claims resulting from the Teton Dam disaster which would become available immediately upon enactment of the bill.

HEARINGS BY THE COMMITTEE

The Subcommittee on Public Works of the Committee on Appropriations held 27 sessions of hearings (22 different days) in connection with the fiscal year 1977 appropriation bill. In addition, two open executive sessions were held on this bill. Witnesses included officials and representatives of the Federal agencies funded by this bill, Members of the Senate and House of Representatives, Governors, State and local government officials and representatives, and hundreds of citizens of all walks of life from throughout the United States. The printed hearings are as follows:

Corps of Engineers, Parts 1, 2, and 9

February 18, 19, 23-25, March 2, and May 26, 1976.

Bureau of Reclamation and Power Agencies, Parts 3 and 9

March 4, and May 26, 1976.

Energy Research and Development Administration, Part 5

(Printing incomplete)—March 16, 18, 23, 24, and May 27, 1976.

Independent Agencies and Commissions, Parts 4 and 9

March 3, 9, 11, and May 26, 1976.

Members of Congress and Public Witnesses, Parts 6, 7, and 8

(Printing incomplete)—Record open for 10 days after last hearing in April. March 29—Apr. 1, April 5-7, 1976.

COMMITTEE RECOMMENDATION AND VOTES

The Subcommittee on Public Works of the Committee on Appropriations, by unanimous vote of a quorum present (12 members present) at an open executive session on June 10, 1976, recommended that the bill, as amended, be reported to the full Committee on Appropriations.

The Committee on Appropriations, by unanimous vote of a quorum present at an open executive session on June 17, 1976, recommends that the bill, H.R. 14236, as amended, be reported and passed.

INTRODUCTION AND SUMMARY OF THE BILL

The Public Works for Water and Power Development and Energy Research Appropriation Bill, 1977, provides funds for fiscal year 1977 under title I for the Energy Research and Development Administration programs; under title II for the Department of the Army, Civil Functions—Corps of Engineers' Civil Works Program; under title III for the Department of the Interior's Bureau of Reclamation and power agencies; and under title IV for related independent agencies and commissions, including the Appalachian Regional Commission and Regional Development Programs, the Federal Power Commission, the Nuclear Regulatory Commission, the Tennessee Valley Authority, and the Water Resources Council.

The grand total of new budget (obligational) authority recommended by the Committee in the bill is \$9,694,785,000. This is an increase of \$295,890,000 over the amended budget estimates of \$9,398,895,000. Changes to the House allowance total +\$49,176,000. It should be noted that subsequent to consideration of the bill by the House, budget amendments in the amount of \$178,800,000 were submitted and considered by the Committee. These amendments are contained in Senate Documents 94-208. The House passed bill provides \$9,645,609,000, an increase of \$425,514,000 over the budget estimates of \$9,220,095,000 considered by the House.

The amounts discussed in the above paragraph do not include the President's budget request of June 11, 1976 (H.Doc. 94-523) to provide \$200,000,000 in new budget authority for the payment of claims related to the Teton Dam failure. This amount is included in the bill and as passed by the House is to become available immediately upon enactment of this bill (H.R. 14236).

In addition to new budget (obligational) authority, the bill, as recommended by the Committee, provides appropriations to liquidate contract authorizations in the amount of \$20,600,000, the same as the House allowance and budget estimate.

Also, in addition to the amounts in the recommended bill, permanent legislation authorizes the continuation of certain government activities without consideration by the Congress during the annual appropriations process. Details of these activities are listed in the "Permanent—Federal Funds" and "Permanent—Trust Funds" tables appearing at the end of this report. In fiscal year 1976, these activities were estimated to total \$69,527,000. The estimate for fiscal year 1977 is \$74,971,000.

Details with respect to the recommended appropriations and the changes made from the House allowance and budget requests are found in the narrative and tabulations included in this report. A comparative statement of new budget (obligational) authority for fiscal year 1976, budget estimates for fiscal year 1977, House allowance, and amounts recommended by the Committee also appear at the end of the report.

TITLE III
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

GENERAL COMMENTS

TETON DAM DISASTER

On June 5, 1976, the earth filled Teton Dam, the principal feature of the Lower Teton Division, Teton Basin project, Idaho, failed causing a tremendous wall of water reportedly ranging from 12 to 20 feet in the downstream areas of the dam. A major disaster declaration for this southeastern Idaho area was made on June 6 by the President. On June 11, the President submitted a request to the Congress (H. Doc. 94-523) for a fiscal year 1976 supplemental appropriation in the amount of \$200,000,000 to provide reimbursement for damages suffered from the failure of the Teton Dam. This appropriation, to become available immediately upon enactment of this bill, is included in the bill as passed by the House and approved by the Committee.

The Teton Basin project is a multipurpose project designed by the Bureau of Reclamation and being constructed under its supervision for flood control, power generation, recreation and supplemental irrigation water supply for 111,210 acres of farm lands in the Upper Snake River Valley. The project was authorized September 7, 1964 by Public Law 88-583. Funds to initiate preconstruction planning were first appropriated in fiscal year 1967 and for construction in fiscal year 1968. Construction of the dam was initiated following an award of the construction contract in December 1971. The contract required completion of the dam by March 10, 1977. According to information made available to the Committee, construction progressed such that water storage began in October 1975. At the time of failure, the reservoir was nearly full, just 3.5 feet below the spillway.

It is estimated that the reservoir contained approximately 250,000 acre-feet of water of the reservoir capacity of 288,250 acre-feet. About 4 million cubic yards of the dam embankment (about 40 percent of the embankment) were lost. The powerhouse and the warehouse structure were completely submerged in the debris. The Bureau of Reclamation is giving top priority in helping to alleviate the suffering and to repair some of the damage resulting from the failure, particularly to rectification of damages to canal headings and irrigation works which deliver water to crops undamaged by floods, but which would be burned out in a matter of weeks if water were not available. The Bureau has also

assured its maximum cooperation with blue ribbon panels of independent engineering experts appointed to determine the cause of the failure. During its 74 years, the Bureau of Reclamation has designed and constructed more than 300 major dams, 250 of which are earthfill, with heights ranging up to 465 feet above streambed. All of those dams, with the single exception of Teton, have performed satisfactorily.

BENEFITS FROM RECLAMATION PROGRAM

Today, after nearly 75 years of Bureau of Reclamation activities, the great physical structures, works, and facilities of the Reclamation program have proven to be of enormous benefits and contributions to the people and the development of the 17 Western States.

All time records were set in nearly every aspect of project operations in the prior year. Some of the data on the impressive benefits of these projects are as follows: Bureau projects provide irrigation water to approximately 10 million acres of land. Nearly 30 million acre-feet of water was delivered, including about 2 million acre-feet for municipal and industrial use. Almost a third of the population of the 17 Western States, about 18 million people, received water service, including both irrigation and municipal and industrial water deliveries. The food and fiber production from irrigated land would satisfy the annual food needs of nearly 33 million people. About 52 billion kilowatt-hours of hydroelectric power were marketed. This clean, non-polluting, power production brings gross revenues to the U.S. Treasury of almost \$250 million annually. Flood benefits are obtained each year and accumulated benefits from flood control operations since 1950 are estimated at about \$1.3 billion. Over \$175 million in flood damages were estimated to have been averted. The total investment in reclamation facilities through fiscal year 1975 since 1902 is about \$7.7 billion. The annual gross crop return from irrigated lands exceeded \$4.5 billion with the accumulated gross return being about \$45 billion. Various independent studies have shown that these projects generate increases in taxes many times over the total Federal investment in the project. Federal Internal Revenue collections attributable to operations of Reclamation projects throughout the 17 Western States total nearly \$1.5 billion annually in personal income taxes and corporate profit taxes. This amount does not include state and local taxes. In several instances studies have shown that the Federal income tax revenues derived in one year as a result of project operations exceeded the total Federal investment in the project. Another study made by the University of Denver Research Institute showed that over \$4 billion in increased business activity resulted throughout the Nation in one year from all functions of the Reclamation program. This is over and above that which would have occurred without the program. Increased personal income and

corporate profits were estimated at over \$3 billion. While this study did not include an estimate of the number of jobs provided, Bureau officials believe the employment equivalent of the increased wages, profits, interests, and rents attributable to the Reclamation program could total as much as 500,000 man-years annually.

PROCEDURES AND PRACTICES FOR COMPUTING AUTHORIZED COST CEILINGS
AND PROJECT COST ESTIMATES

The Committee Report accompanying the fiscal year 1976 appropriation bill called on the Bureau to submit a full response to the GAO report (B-164570) entitled "Bureau of Reclamation Procedures and Practices for Computing Authorized Cost Ceilings and Project Cost Estimates Need Improvement," released November 17, 1975. In accordance with the requirements of section 236 of the Legislative Reorganization Act of 1970, the Department of the Interior and the Bureau responded to the GAO report on January 27, 1976. Additionally, a subcommittee of the House Committee on Government Operations, for which the GAO report was made, has held hearings on this matter and made its report on March 1, 1976 containing various recommendations (Fourteenth Report of the House Committee on Government Operations).

The Committee agrees with the Bureau that this matter has generated a great deal of misinformation and confusion concerning the Reclamation Projects and Program. Many mistakenly assume that these reports discuss use of appropriated funds, cost accounting practices, and the reporting of costs. The reports do not touch on any of these. GAO has reviewed and approved Bureau accounting practices.

The reports deal with the methods and practices of the Bureau in estimating the total cost of construction of projects which may take several years to complete; in the way the Bureau had been "cost indexing" the "authorized cost ceilings" and the "estimated total Federal obligations" on the Bureau projects. An understanding of these terms in quotes above is essential in order to understand the complex subject matter of these reports.

The authorization for appropriation is the authority in the enabling legislation authorizing the Congress to appropriate up to a certain amount (based on the authorized cost ceiling) to complete a project. "Estimated total Federal obligations" is an estimate as of a specific date of the total Federal funds that will be required to complete a project. "Cost indexing" is the method used to update cost estimates at the time of authorization to more current prices.

In recent years, cost indexing has usually been authorized by law for Reclamation projects. The reason is that, in today's inflationary marketplace, the estimated costs of projects rise rapidly and, were it not for the allowable cost indexing, the estimated costs would exceed the ceilings set by Congress long before a project was completed. In order to avoid having to reset these ceilings periodically, the Congress usually includes the right to cost index in the authorizing legislation.

However, Congress has never included procedures or methodology to be used in cost indexing.

Thus, the issue is whether the Bureau's methods are acceptable. And cost indexing is not a simple matter of, say, applying the average rate of inflation over the past year to a construction project. The rate of inflation varies greatly—by section of the country, by materials used, by manufactured goods, by labor markets, by the type of work being done.

So long as the authorized cost ceiling of a project exceeds the total estimated cost there are no problems. But should the estimate of total Federal obligations exceed the authorized cost ceiling, then, at some time before the Congress appropriates construction funds in excess of the cost ceiling, the Congress would have to raise the ceiling or limit the amount of work to be completed by the Bureau. The reports of the GAO and the House subcommittee found fault with a number of the cost indexing procedures used by the Bureau to estimate the total cost of its projects and recommended that certain improvements be made and that the Congress legislate clarification as to the extent of indexing authorized.

Some of the recommendations can be implemented without legislation and the Bureau has testified that most of those recommendations are being implemented. The Bureau has also stated that it will continue to cooperate with the various Committees having an interest in the matter. In the remaining one or two areas of disagreement over the appropriate methods and procedures to be used in cost indexing, the Committee does not believe, in the absence of legislation, that the Bureau's methods are unreasonable. The recommendation that the Congress legislate clarification as to the extent of indexing authority is, of course, beyond the jurisdiction of this committee. However, the committee agrees with the improvements the Bureau is implementing.

Most important of all to this Committee in this issue is the fact that actual appropriations have not exceeded the authorized cost ceilings. Nor has the Bureau been seeking funds in excess of the authorized cost ceiling or expended funds in excess of appropriations.

GENERAL INVESTIGATIONS

Appropriations, 1976.....	\$20,892,000
Budget estimate, 1977.....	21,030,000
House allowance.....	24,487,000
Committee recommendation.....	24,762,000
Comparison:	
Budget estimate, 1977.....	+3,732,000
House allowance.....	+275,000

An appropriation of \$24,762,000 is recommended for fiscal year 1977, which is \$275,000 over the House allowance and \$3,732,000 over the budget request.

Funds provided under this heading are allocated to surveys and activities as follows:

GENERAL INVESTIGATIONS

Name and location of study	Type of project	Budget estimate	House allowance	Committee recommendation
BUREAU OF RECLAMATION GENERAL INVESTIGATIONS				
ARIZONA				
Boulder Canyon, Hoover Powerplant Modifications.....	Feas.-P	75,000	75,000	75,000
CALIFORNIA				
Central Valley:				
Calaveras County division.....	Appr.-I,M&I,P	---	50,000	50,000
Delta Support Studies.....	Sp. Inv.	340,000	340,000	340,000
East Side division, Mid-Valley Canal.....	Feas.-I,M&I	65,000	65,000	65,000
Total Water Management Study.....	Sp. Inv.	330,000	330,000	330,000
Energy Research and Development (Geothermal).....		300,000	300,000	300,000
Geothermal Resources Investigations.....		1,200,000	2,520,000	2,520,000
Klamath, Butte Valley Division (see Oregon)				
Lahontan Basin Total Water Management Study (see Nevada)				
Lake-Yolo Counties Study.....	Appr.-I	37,000	37,000	37,000
Mendocino County Study.....	Appr.-I,M&I	37,000	37,000	37,000
Mojave-Coachella, Reformulation.....	Feas.	30,000	30,000	30,000
Napa County Study.....	Appr.-I	37,000	37,000	37,000
Sacramento River Drainage and Seepage Utilization.....	Appr.-I	100,000	100,000	100,000
San Joaquin Valley Drainage.....	Appr.	105,000	105,000	105,000
Solano County Water.....	Feas.	115,000	115,000	115,000
Suisun Marsh Management Study.....	Appr.	38,000	38,000	38,000
Susanville geothermal investigations.....	Feas.	---	267,000	267,000
Ventura County Water Management.....	Feas.-I,M&I	46,000	46,000	46,000

94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94-1297

PUBLIC WORKS APPROPRIATION BILL,
FISCAL YEAR 1977

JUNE 24, 1976.—Ordered to be printed

Mr. EVINS of Tennessee, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 14236]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14236) "making appropriations for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 6, 8, 10, 11, 13, 14, 15, 18, 20, 24 and 25, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$4,147,563,000; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$1,572,410,000; and the Senate agree to the same.

**JOINT EXPLANATORY STATEMENT OF THE COMMITTEE
OF CONFERENCE**

The managers on the part of the House and the Senate at the Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14236) making appropriations for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions for the fiscal year ending September 30, 1977, and for other purposes, submit the following Joint Statement of the House and the Senate in explanation of the effects of the action agreed upon by the Managers and recommended in the accompanying conference report.

**TITLE I—ENERGY RESEARCH AND DEVELOPMENT
ADMINISTRATION**

OPERATING EXPENSES

Amendment No. 1: Appropriates \$4,147,563,000 for Operating expenses instead of \$4,172,783,000 as proposed by the House and \$4,118,186,000 as proposed by the Senate.

The funds appropriated for Operating expenses are allocated as shown in the following table:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
FISCAL YEAR 1977 BUDGET—PUBLIC WORKS APPROPRIATION OPERATING EXPENSES BUDGET AUTHORITY
OPERATING EXPENSES BUDGET AUTHORITY

Item	Fiscal year 1977	
	Budget estimate	Conference allowance
Solar energy development:		
Direct thermal applications:		
A. Solar heating and cooling of buildings:		
1. Commercial demonstrations.....	\$16,700,000	\$33,000,000
2. Residential demonstrations.....	8,100,000	21,100,000
3. Research and development.....	10,500,000	13,700,000
4. Development in support of demonstrations.....	10,000,000	17,000,000
B. Agriculture process heat applications.....	3,900,000	7,800,000
Technology support and utilization:		
A. Solar energy resource assessment.....	1,500,000	6,000,000
B. Solar Energy Research Institute.....	1,500,000	2,500,000
C. Technology utilization and information dissemination.....	1,000,000	3,000,000
Solar electric applications:		
A. Solar thermal electric conversion.....	30,900,000	51,300,000
B. Photovoltaic energy conversion.....	28,200,000	59,400,000
C. Wind energy conversion.....	16,000,000	20,500,000
D. Ocean thermal energy conversion.....	9,200,000	13,500,000
Fuels from biomass.....	4,300,000	9,700,000
Total solar energy development.....	141,800,000	258,500,000

Amendment No. 10: Deletes earmarking language proposed by the House which is no longer needed.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Amendment No. 11: Appropriates \$231,497,000 for flood control, Mississippi River and tributaries as proposed by the Senate instead of \$227,667,000 as proposed by the House.

REVOLVING FUND

Amendment No. 12: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates \$6,600,000 for design and construction of hopper dredges.

The Committee of Conference is agreed that provided the dredging industry is capable of performing the service within the procedures prescribed by the Corps of Engineers under the testing of the market program, which gives private industry up to a 25 percent cost differential, private dredging interests will be awarded the work.

The Committee supports a public and private mixture of hopper dredges which should be maintained and the Committee urges the development of private hopper dredges.

FLOOD CONTROL AND COASTAL EMERGENCIES

Amendment No. 13: Appropriates \$22,140,000 for Flood control and coastal emergencies as proposed by the Senate instead of \$30,000,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Amendment No. 14: Provides limitation of \$291,000,000 on the capital of the revolving fund as proposed by the Senate instead of \$285,000,000 as proposed by the House.

TITLE III—DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

GENERAL INVESTIGATIONS

Amendment No. 15: Appropriates \$24,762,000 for General investigations as proposed by the Senate instead of \$24,487,000 as proposed by the House.

CONSTRUCTION AND REHABILITATION

Amendment No. 16: Appropriates \$348,811,000 for Construction and rehabilitation instead of \$351,386,000 as proposed by the House and \$347,811,000 as proposed by the Senate.

The change from the Senate allowance provides a total of \$3,500,000 for the Nueces River project, Texas.

Amendment No. 17: Reported in technical disagreement. The Managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that \$300,000