

THE WHITE HOUSE
WASHINGTON

March 10, 1976

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider proposed supplemental appropriations for the fiscal year 1976 in the amount of \$12,000,000 for the Department of Transportation.

The details of this proposal 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,

A handwritten signature in black ink that reads "Gerald R. Ford". The signature is written in a cursive style with a large, bold "F" and "R".

Enclosure

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

March 10, 1976

The President

The White House

Sir:

I have the honor to submit for your consideration a proposed supplemental appropriation for the fiscal year 1976 in the amount of \$12,000,000 for the Department of Transportation, as follows:

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

Rail Service Assistance

For an additional amount for "Interim operating assistance," \$12,000,000, to remain available until expended.

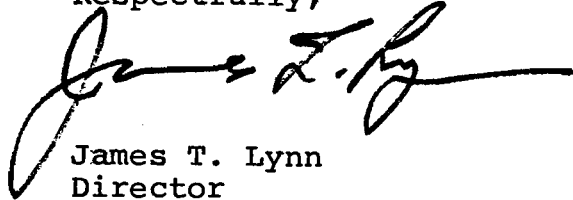
The Regional Rail Reorganization Act of 1973 authorizes the Secretary of Transportation to provide Federal payments to railroads in reorganization, in order to insure continuation of essential rail service, pending implementation of the Final System Plan.

Of the \$282 million authorized, \$270 million has been appropriated to date. The cash deficits of the bankrupt railroads have significantly exceeded the predicted levels, and delays in omnibus rail legislation have caused the start-up date of ConRail to slip by a month, requiring additional subsidies for this period. Consequently, it is now apparent that the full \$12 million unappropriated balance will be required. This amount, in conjunction with intensive cash management, should be sufficient to meet currently projected needs.

Approval of this request is necessary to prevent service and employee cutbacks which would adversely affect the economy of the region.

I have carefully reviewed this proposal for appropriations and am satisfied that this request is necessary at this time. I recommend, therefore, that the proposal be transmitted to the Congress.

Respectfully,

A handwritten signature in black ink, appearing to read "James T. Lynn". The signature is written in a cursive style with a long horizontal stroke extending to the right.

James T. Lynn
Director