

The original documents are located in Box 64, folder “FY 1977 Presidential Review - Small Agencies” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

Small
Agencies

1977 Presidential Review
Small Agencies
Table of Contents

*U.S. Postal Service

*National Transportation Safety Board

Council on Wage and Price Stability

The Renegotiation Board

U.S. Railway Association

Panama Canal Company and Government

Administrative Conference of the United States

National Credit Union Administration

Council of Economic Advisors

Marine Mammal Commission

Commission on Review of the National Policy
Toward Gambling

Commission on Executive, Legislative and Judicial
Salaries

Advisory Committee on Federal Pay

*Issue paper, agency appeal letter, or background
paper follows summary.

U.S. Postal
Service

U.S. POSTAL SERVICE

Comments

Agency request seeks full amount of all authorized subsidies to cover public service costs and revenue foregone on carrying certain classes of mail at free or reduced rates. OMB mark would allow the full amount of the public service subsidy (\$920M) and the portion of the revenue foregone subsidy associated with the regular phasing of certain rates to full cost coverage. The request for subsidies to cover extended phasing (\$307M) authorized by P.L. 93-328 is not recommended consistent with your decision on this issue last year. Agency has appealed the OMB recommended mark (see attached issue paper).

	Budget authority (In thousands	Outlays of dollars)	Full-time permanent employment
1975 actual	1,877,000	1,877,000	558,400
1976 current estimate	1,690,000	1,690,000	542,600
1976 OMB employment ceiling	xxxx	xxxx	not applicable
Transition quarter current estimate	431,000	431,000	542,600
1977 agency request	1,766,000	1,766,000	543,600
1977 OMB recommendation	<u>1,459,000</u>	<u>1,459,000</u>	<u>543,600</u>
Effect of OMB recommendation on agency request	-307,000	-307,000	0
1978 estimate	1,451,000	1,451,000	544,000

Issue Paper
U.S. Postal Service
1977 Budget

Statement of Issue

Should the Administration request Federal subsidies to extend the time period for certain mailers to adjust to higher postage rates? (Outlay effects; FY 1976, \$19 million; TQ \$3 million; FY 1977 \$307 million.)

Background

The Postal Reorganization Act of 1970 authorized Federal subsidies to ease the adjustment for mailers in moving from an old subsidized rate structure to one which more properly reflected the actual cost of the particular mail service provided. The Act set up phasing periods of five years for profit related mail and ten years for non-profit mail during which rates were to be adjusted upward in equal annual increments. Phasing began with the first rate increase under reorganization, which occurred in 1972. The Federal subsidy makes up the gap or revenue foregone by the Postal Service in carrying these classes of mail at the less than full cost recovery rate.

A number of mailers, particularly magazine publishers, have argued that postal rate increases since reorganization were higher than ever anticipated. They were successful in 1974 in lobbying the Congress for an extension in the authorized phasing schedule. P.L. 93-328 added three more years for profit mail and six more years for non-profit mail to the existing five and ten year periods, thereby stretching out the full impact of postage rate hikes for these mailers.

The revenue foregone subsidy required to fund extended phasing is estimated to be \$920 million over the next 10 years. The principal beneficiaries of this subsidy would be magazine, newspaper, and book publishers. \$380 million of the additional subsidy would go to direct support of these regular-rate second class mail users. The remaining \$540 million would support preferential (non-profit) mailings under second, third, and fourth (library) class. Despite your decisions last year not to fund extended phasing, the Congress acted to add \$44 million in fiscal year 1975 and \$92.5 million in fiscal year 1976 to provide for the start of this additional phasing subsidy.

Fiscal year 1977 marks the first full year of extended phasing for profit related mailings. The total Federal revenue foregone subsidy necessary to cover this, as well as non-profit extended phasing, amounts to \$307 million. Payment of this subsidy to the Postal Service counts as a direct Federal outlay.

Alternatives

- #1. Request full funding for all authorized phasing, including extended phasing authorized by P.L. 93-328. (Agency Request)
- #2. Request funding for only the originally authorized phasing schedule set forth in the Reorganization Act. (OMB Recommendation)

Analysis

	<u>\$ in millions</u>					
	<u>1976</u>	<u>T.Q.</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Agency Request	725	189	792	710	597	497
OMB Recommendation	<u>706</u>	<u>186</u>	<u>485</u>	<u>470</u>	<u>455</u>	<u>439</u>
Difference(extended phasing):	19	3	307	240	142	58

Note: Budget Authority and Outlays are the same.

The intent of postal reform was to foster a self-sufficient Postal Service in which users pay for the services they receive. Extending the phasing period runs contrary to that goal. There has been no new evidence to suggest serious consequences for publishers in terms of major losses of subscribers or possible bankruptcy as a result of having to pay their own way in the postal system. Postage costs generally only run about 5% of total business costs. Despite more serious inflationary cost pressures in other areas, the industry as a whole has remained profitable.

The decision last year not to request funding for extended phasing was met with strong protests from publishers as well as non-profit church related mailers, even though the latter group still has five years of regular phasing remaining. The argument from non-profit mailers is that higher postage rates are stifling the free flow of information and ideas. Given the vast array of communications media available, this appears unfounded. Non-profit mailers already enjoy a lesser rate than regular profit mailers.

Postal Service has quietly supported extended phasing in an effort to avoid a direct confrontation with mailers. From postal management's perspective, extended phasing lessens the initial impact of rate increases and thereby helps to hold down strong objections to such increases.

Agency Request

Postal Service has requested the full amount of the extended phasing subsidy authorized by P.L. 93-328. This would entail a 1976 supplemental of \$19 million, a transition quarter supplemental of \$3 million, and a regular 1977 appropriation of \$307 million. The supplementals are proposed to cover that portion of extended phasing attributable to the planned rate increase scheduled for December 28th of this year.

OMB Recommendation

Alternative #2. OMB recommends that the Administration maintain its established position of opposition to extended phasing subsidies. We continue to believe that this subsidy represents an unwarranted and low priority use of Federal tax dollars. Funding this subsidy would add \$307 million in outlays to the 1977 budget.

National
Transportation
Safety Board

NATIONAL TRANSPORTATION SAFETY BOARD

Comments

Agency has ~~appealed~~ OMB 1976 employment ceiling of 311, which allows for an increase of 41 positions pursuant to the Board's mandatory requirements under the Transportation Safety Act of 1974. Board requests increase to 355 to accommodate 44 additional positions recently provided by Congress primarily for the investigation of marine and highway accidents. In 1977 agency has requested an additional 207 in employment ceiling to fully assume additional responsibilities under the new law, and to provide for the Board's move from DOT. OMB recommendation provides for costs associated with continuation of current programs but no increase in employment ceiling. Agency has requested restoration of 113 positions. (See attached background paper).

	Budget authority (In thousands of dollars)	Outlays of dollars)	Full-time permanent employment
1975 actual	9,640	8,578	270
1976 current estimate	11,260	11,000	311 ^{1/}
1976 OMB employment ceiling	xxx	xxx	311
Transition quarter current estimate	3,095	3,040	xxx
1977 agency request	16,500	16,200	518
1977 OMB recommendation	<u>12,000</u>	<u>11,900</u>	<u>311</u>
Effect of OMB recommendation on agency request	-4,500	-4,300	-207
1978 estimate	12,000	11,900	311

^{1/} Agency has appealed this level. Requested level of 355.

Background Paper

1976 Appeal

In 1976 the agency has appealed the OMB ceiling of 311. Congress has specifically provided in the appropriation conference report \$11.3 million in budget authority and a total increase of 85, or a 44 position increase over the OMB level.

Agency requests increase of 44 in employment ceiling to investigate highway accidents involving four or more fatalities and marine accidents in cooperation with the Coast Guard.

1977 Appeal

The agency is requesting restoration of \$3.1 million of the OMB reduction of \$4.5 million. \$1.1 million is requested to fund the cost of the 44 positions the agency appealed in 1976. \$2 million is requested to fund the 69 additional positions the agency is requesting in 1977. The additional positions are requested to: implement a highway safety program by establishing eight field offices to investigate highway accidents; investigate specified marine accidents in cooperation with the Coast Guard; implement a program to effectively report on the safe transportation of hazardous materials; establish a crash injury expertise; and to prepare a surface accident investigation guide to improve quality of accident investigations done by others. Positions are also requested in the aviation program to allow Board to increase participation in foreign aviation accident investigation; provide technical support to aviation field offices; and increase participation in the FAA's rulemaking procedures.

OMB Recommendation

OMB recommends no additional staffing pursuant to those discretionary programs authorized by the Transportation Safety Act of 1974. Mandatory requirements of the Act for the investigation of all railroad and pipeline accidents involving a fatality, and for staff associated with the establishment of an office to investigate and report on the safe transportation of hazardous materials have been provided in 1976 and 1977. The recommendation assumes that the Board will absorb the pay increase in 1976 and we will therefore not have to seek a rescission of funds pursuant to the denial of the 44 congressionally funded positions.



Office of
Chairman

National Transportation Safety Board

Washington, D.C. 20594

November 17, 1975

Honorable James Lynn
Director
Office of Management and Budget
Executive Office Building
Washington, D. C. 20503

Dear Mr. Lynn:

This letter reflects the deep concern of the National Transportation Safety Board with respect to its FY 1976 End-of-Year (EOY) Employment Level, which was issued last week by the Office of Management and Budget (OMB). This Employment Level reduced the Safety Board's new hiring authority by 44 positions, or more than 50 percent, and would drastically reduce the program the Congress and the President intended. This action by the OMB would largely negate the clear Congressional action taken and is therefore essentially equivalent to impoundment which was so strongly addressed by the Congress in the Budget Control and Impoundment Act.

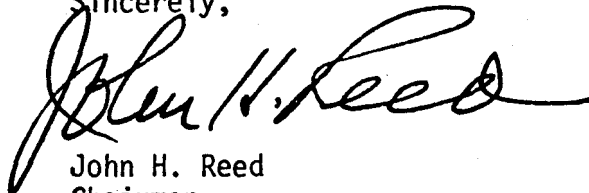
The Safety Board's FY 1976 EOY Employment Level of 311, which is an increase of 41 over the 270 EOY Employment Level authorized in FY 1975, will allow the Safety Board to fill only 48 percent of the 85 additional positions authorized in the Department of Transportation and Related Agencies Appropriation Act passed by the Congress just this past week. We recognize that a two or three percent variance between authorized positions and EOY Employment Levels is normal because an agency cannot keep all of its authorized positions filled at all times. However, the Safety Board was authorized to fill only 90 percent of its 301 authorized positions in FY 1975 (the FY 1975 EOY Employment Level was 270, which is 31 positions below the FY 1975 authorized level of 301) and, therefore, there is no reason to reduce the agency's FY 1976 EOY Employment Level because of the delay in filling positions. Further, the variance between the Safety Board's FY 1976 authorized position level of 386 and the FY 1976 EOY Employment Level of 311 is 75 positions, which allows the Safety Board to fill only 80 percent of the positions authorized.

This restriction by the OMB on the hiring level is particularly critical in FY 1976 because of new authorities charged to the National Transportation Safety Board in the Independent Safety Board Act of 1974, which became effective on April 1st of this year. To implement the provisions of this Act the Congress authorized the Safety Board 85 additional positions in the appropriation bill now pending before the President. Yet, the OMB must be anticipating that the President will ultimately approve this level for the Safety Board for FY 1976 because the OMB provided the Safety Board with an increase of 85 authorized positions in FY 1976 but then restricted the Safety Board from filling 44 of these positions.

The substantial new authorities I cite are in highway, marine, railroad, pipeline, and hazardous materials safety activities. The hiring authority of 41 positions will not allow the Safety Board to accomplish even the immediate new investigative responsibilities in the highest priority areas of railroad, pipeline, and hazardous materials safety. The Safety Board requested 118 positions in an amendment to the FY 1976 regular budget to simply begin to fulfill the additional authorities and responsibilities in the Independent Safety Board Act. This 118 position request was a minimum level, which was limited by the constraint of a \$12,000,000 authorization. The Congress recognized the validity of this agency's program request and the need for the 118 additional positions requested to effectively carry it out. The Congress stated that the reason that they approved only 85 of the 118 positions requested was their concern that the Safety Board would expand too rapidly, and therefore, not obtain highly qualified people.

I therefore reiterate my strong belief that the Safety Board must be provided hiring authority by the OMB to fill all of the 85 additional positions provided in the FY 1976 Appropriation Act. I respectfully request a meeting with you and your staff to resolve this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Reed", written in a cursive style.

John H. Reed
Chairman



Office of
Chairman

National Transportation Safety Board

Washington, D.C. 20594

November 17, 1975

Honorable James Lynn
Director
Office of Management and Budget
Executive Office Building
Washington, D. C. 20503

Dear Mr. Lynn:

The National Transportation Safety Board is appealing the OMB budget allowance for FY 1976 and FY 1977. It is especially urgent that the Safety Board have additional resources at this time in order to carry out the new authorities and responsibilities mandated by the Congress and approved by the President in the Independent Safety Board Act of 1974. The appeal justification, which is summarized in the enclosure, is justified separately by fiscal year as follows:

FY 1976 Appeal

In a separate letter the Safety Board appealed the reduction of 44 hiring authorizations in its FY 1976 End-of-Year (EOY) Employment Level.

The allowance of \$11,260,000 in obligational authority for FY 1976 is adequate to fund the 41 additional positions the OMB authorized the Safety Board to hire in FY 1976 plus absorb the full cost of the pay raise, since the Congress appropriated this same amount to fund the hiring of 85 additional positions. However, \$11,260,000 is not adequate to absorb the full FY 1976 pay raise cost of \$280,000 based on our request for restoration of the reduction of 44 EOY Employment Levels. As a result of the late passage of the Department of Transportation and Related Agencies Appropriation Bill the Congress only provided sufficient funds to fill the requested 85 positions for an average of four to five months (rather than the requested average of six months), which would not allow the Safety Board to fully implement its new program before April 1, 1976.

Accordingly, in order to prevent any further delay in the implementation of our new programs, the Safety Board must have a pay raise supplemental in FY 1976 of \$140,000. This request is predicated on the Safety Board

absorbing half of its FY 1976 pay raise requirements, which is the limit of the Safety Board's absorption capability. Seventy-five percent of the Safety Board's funds must be devoted to personnel compensation and benefits which leaves little capacity for further absorption.

FY 1977 Appeal

The Safety Board is appealing the reduction of \$3,100,000 and 69 requested additional positions as follows:

The \$12,000,000 in obligation authority provided will only allow the Safety Board to fund the 311 employment levels authorized including the associated FY 1976 pay increase costs. Accordingly, the Safety Board will require \$1,100,000 to fund, on a full year basis, the cost of the 44 additional employment levels, which this agency has appealed for restoration in FY 1976.

The remaining \$2,000,000 is required to fund the half year cost of the 69 positions that were not approved in the FY 1977 budget and which we are appealing. These positions are listed below by program in priority order.

1. Adequately implement the provisions of the Independent Safety Board Act of 1974 - 40 positions.

The 40 positions being appealed in this program represent positions requested in both the FY 1976 budget amendment and the FY 1977 budget.

The Safety Board requested 118 additional positions from the OMB and Congress in the FY 1976 budget to begin to implement the new authorities and responsibilities of the new Act. The Congress recognized the need for all the additional positions requested but they approved only 85 positions at this time because they were concerned that the Safety Board would grow too rapidly and thus not obtain highly qualified people. Accordingly, the remaining 33 positions (118 minus 85) not approved in the FY 1976 budget are requested in FY 1977 to allow the Safety Board to: (1) implement a viable highway safety program and thus find solutions to the problems causing more than 90 percent of the transportation accidents and fatalities; (2) implement a marine safety program in accordance with the agreement jointly negotiated with the Coast Guard to fulfill the additional marine responsibilities of the new Act; and (3) staff a program to adequately report on the safe transportation of hazardous materials.

The Safety Board was restricted in its FY 1976 budget submission from requesting all the resources needed to adequately implement the provisions of the new Act by the constraints of a \$12,000,000 authorization. Accordingly, seven additional positions were requested in the FY 1977 budget in the surface function to adequately fulfill the new Act authorities and responsibilities. These positions were requested to: (a) prepare and publish an accident investigation guide to increase the quality and depth of accident investigations by others; (b) analyze crash injury problems in accidents to eliminate the possibility of injury or reduce the degree of injury, and (c) monitor the status of recommendations to assure that they are implemented.

2. Relocation of Washington Headquarters - six positions.

Additional resources in FY 1977 are requested to improve management efficiency by relocating the Washington office in a single location. The Washington headquarters is now housed in two separate DOT buildings. Additional staffing requested in FY 1976 and FY 1977 will necessitate further separation. In addition the location of the agency in DOT buildings gives the appearance to the public that the Safety Board is not in fact independent.

Support services provided to the Safety Board by the DOT will be terminated when the agency moves out of DOT buildings. Most of such services will be obtained from another government agency or commercial source. However, in three areas--library, automated data processing, and printing--the Safety Board must perform these functions itself which will require six additional positions. The net saving which will result from the Safety Board's performing these functions, after initial year acquisitions of equipment, will be approximately \$50,000 annually.

3. Civil Rights - three positions.

The scope of the government-wide Equal Employment Opportunity (EEO) program has grown each year and is projected to continue growing. In several areas the Safety Board has not implemented required EEO programs and was criticized by the Civil Service Commission in a recent report for failure to comply. The EEO regulations have grown so complex and the EEO program includes

so many new areas that the Deputy General Manager, who also functions as the agency's EEO Officer, cannot adequately perform his EEO responsibilities along with his regular responsibilities, particularly with the new responsibilities and authorities charged to the Safety Board under the Independent Safety Board Act of 1974. Accordingly, a full-time EEO Officer position is requested.

In addition, under the law the Safety Board must have some positions designated as upward mobility positions. These positions would be on-the-job training positions to give lower-graded employees in dead-end jobs experience so that they could qualify for the higher level positions in the functional areas in which they are training. Due to the small size of the Safety Board staff we cannot afford to take positions from any segment of the Board and utilize them as training positions because these employees would be basically unproductive until they were fully trained to fill the new positions. Accordingly, two positions are requested to implement an upward mobility program in two functional areas of the Safety Board.

4. Increased Demand for Participation in Foreign Accident Investigation - six positions.

The International Civil Aviation Organization (ICAO) has developed a regulation as a result of an agreement among the member nations which makes it mandatory that the State of Manufacture participate in all accident investigations involving aircraft with a takeoff weight of 220,000 lbs. Furthermore, the State of Manufacture has been granted an unqualified right to participate in aviation accident investigations internationally whenever airworthiness factors are involved. Since the United States is the leading manufacturer of this category of aircraft, this regulation will necessitate that the Safety Board, as the representative of the United States government, participate in approximately 30 additional major foreign accident investigations annually.

In addition ICAO recommends that the State of Manufacture also participate in international and domestic accident investigations involving aircraft with a takeoff weight of 5,000 to 220,000 lbs. This category includes a large percentage of the general aviation fleet. Since the United States is also the largest manufacturer of this category of aircraft, this regulation will necessitate that the Safety Board, as the representative of the United States government, participate in approximately 180 additional aircraft accident investigations of a less than major class.

To fulfill this international responsibility will require six additional positions in FY 1977.

5. Overview and Participation in Rulemaking Activities - three positions.

Reviewing and commenting upon FAA Notices of Proposed Rulemaking is an extremely important function of the Safety Board. Rulemaking action often represents the fruition of extensive Board efforts, since many rulemaking proposals derive from Safety Board recommendations. In view of this and the impact of such rulemakings on the aviation community, it is imperative that the Board conduct in-depth evaluations and formally comment on such proposals so that its knowledge and expertise can be effectively applied in the rulemaking process.

To assure continued user input into the rulemaking process the FAA has initiated a new program of Biennial Reviews of Airworthiness and Operational Regulations. In connection with each such review, the Board must now: (1) submit well-documented proposals for inclusion on the agenda, (2) review and comment upon the consolidated FAA presentation of government/industry proposals for agenda items, (3) participate in the annual meetings defending our proposals and discussing other proposals, (4) submit comments on the multitude of rulemaking proposals emanating from these reviews.

To assure Safety Board input into the rulemaking process under the expanded FAA program, it will be necessary for the Board to have three additional positions in FY 1977.

6. Technical Support to Field Offices - 11 positions.

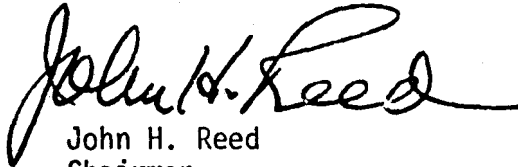
Most of the Board's technical effort and expense is devoted to major investigations, and relatively little effort is provided in support of field investigations where the vast majority of accidents and fatalities occur. If significant advances are to be attained in accident prevention, additional effort must be directed toward more comprehensive investigations and more probative determination of probable cause. Because of the workload demands of major investigations directed from headquarters, technical support for field-directed investigations has generally received subordinate priority.

The continuing high general aviation accident rate and the continuing major investigation workload dictate the development of an organized program of technical support services to field

offices. Such a staff will respond directly to the technological needs of the Safety Board's field offices, maintain a broad perspective of the general aviation accident picture, and formulate comprehensive remedial actions. The requested technical support staff consisting of 11 positions, would conduct special tests and analyses of systems and components in support of field investigations as well as participate directly in the work at the accident site.

I or any member of my staff will be pleased to meet with you or members of your staff to discuss these urgent needs of the Safety Board.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Reed". The signature is fluid and cursive, with the first name "John" being the most prominent.

John H. Reed
Chairman

Enclosure

NATIONAL TRANSPORTATION SAFETY BOARD
(\$ in thousands)
APPEAL OF OMB ALLOWANCE

Appropriation: Salaries and Expenses

	FY 1976			
	<u>NTSB Request</u>	<u>OMB Allowance</u>	<u>Requested Restoration</u>	<u>Revised Request</u>
Budget Authority	\$11,950	\$11,260	0	\$11,260
Outlays	11,745	11,000	0	11,000
Positions	418	386	0	386
EOY Employment	387	311	44	355

	FY 1977			
Budget Authority	16,500	12,000	3,100	15,100
Outlays	16,200	11,900	3,000	14,900
Positions	529	386	69	455
EOY Employment	518	311	113	424

Enclosure
11-17-75

INTERSTATE COMMERCE COMMISSION

Comments

- . Appeal at issue is 221 positions and \$6.3 million.
- . Agency requested an increase of 221 program positions for regulatory reform activities and its four major economic regulatory programs required by statute-- formal proceedings, financial oversight, compliance and tariff examination. OMB recommendation represents a reduction of 23 positions and extensive reprogramming of existing resources directed to reform activities. Agency appeals for original request of 221 positions since a reduction of the magnitude proposed could not be absorbed without seriously jeopardizing recent progress, and such reductions would make it difficult to accomplish regulatory reforms desired by the President. (See attached background paper.)

	Budget authority (In thousands of dollars)	Outlays (In thousands of dollars)	Full-time permanent employment
1975 actual	42,800	43,900	2,051
1976 current estimate ^{1/}	65,654	51,500	2,135
1976 OMB employment ceiling ..	xxx	xxx	2,135
Transition quarter current estimate	13,054	13,054	xxx
1977 agency request	60,800	77,900	2,356
1977 OMB recommendation	<u>54,500</u>	<u>60,000</u>	<u>2,112</u>
Effect of OMB recommendation on agency request	-6,300	-7,900	-244
1978 estimate	54,500	60,000	2,112

^{1/} Budget authority reflects a one-time-only \$15 million subsidy for directed rail service. Outlays are shown in 1977 and 1978.

Council on Wage
and Price
Stability

COUNCIL ON WAGE AND PRICE STABILITY

Comments

Agency requested increases to hold one additional public hearing and one additional symposium to educate the public on price/wage or governmental regulatory issues, two additional filings in Federal agency rulemaking or ratemaking procedures, and one additional study of a critical industry's pricing policies. Authorization of \$1,700,000 per fiscal year terminates in 1977. Any requested increase should await decision to request extension of the Council. Agency believes strongly that the Administration needs to request the full authorization to convince Congress of serious intent.

	Budget authority (In thousands of dollars)	Outlays of dollars)	Full-time permanent employment
1975 actual	1,000	494	37
1976 current estimate	1,550	1,590	44
1976 OMB employment ceiling	xxxx	xxxx	44
Transition quarter current estimate	388	445	xx
1977 agency request	1,700	1,593	47
1977 OMB recommendation	<u>1,550</u>	<u>1,443</u>	<u>44</u>
Effect of OMB recommendation on agency request	-150	-150	-3
1978 estimate	-0-	-0-	-0-

The Renegotiation
Board

THE RENEGOTIATION BOARD

Comments

Agency request seeks funding for additional staff to reduce the backlog of over age cases and to improve the efficiency of the renegotiation review process. OMB mark would allow an additional \$115,000 and 23 positions as a 1976 supplemental, \$162,000 in the transition quarter, and \$533,000 in 1977 to meet commitments to revitalize the Board's internal operations. A recent thorough and critical review of the Board's organization has uncovered numerous areas for improved efficiency and thereby reduced the need for additional staff as initially requested. Agency is in agreement with the recommended OMB mark.

	Budget authority (In thousands of dollars)	Outlays (In thousands of dollars)	Full-time permanent employment
1975 actual	5,298	5,406	194
1976 current estimate . . .	5,515	5,460	223
1976 OMB employment ceiling	xxx	xxx	200
Transition quarter current estimate	1,497	1,482	223
1977 agency request	7,789	7,700	289
1977 OMB recommendation . .	<u>6,132</u>	<u>6,070</u>	<u>223</u>
Effect of OMB recommendation on agency request	- 1,657	- 1,630	-66
1978 estimate	6,132	6,100	223

U.S. Railway
Association

UNITED STATES RAILWAY ASSOCIATION

Comments

Agency requested funds for administration of ConRail funding, and defense against lawsuits by bankrupt railroad estates. OMB mark allows full request^{1/}.

	Budget authority (In millions)	Outlays of dollars)	Full-time permanent employment ^{2/}
1975 actual	12	26	xxxx
1976 current estimate	414	420	xxxx
1976 OMB employment ceiling ^{2/}	xxxx	xxxx	xxxx
Transition quarter current estimate	302	202	xxxx
1977 agency request	1,403	543	xxxx
1977 OMB recommendation	<u>1,403</u>	<u>543</u>	xxxx
Effect of OMB recommendation on agency request	xxxx	xxxx	xxxx
1978 estimate	3	428	xxxx

^{1/}ConRail funding package, included in table, was submitted as a supplemental request to Congress on November 13. Recommended Budget Authority figures are as follows: \$400M (1976), \$300M (transition quarter), and \$1,400M (1977).

^{2/}Employees of the Association are not employees of the Federal Government (P.L. 93-236, Sec 201c).

The
Panama
Canal

PANAMA CANAL COMPANY AND GOVERNMENT

Comments

The agency requests increases in the following areas: (1) capital construction programs; (2) provision of health services and civil government functions, and (3) staffing for all activities. To accomodate these increases, the Panama Canal Company indicates that it will have to raise Canal tolls in 1977 -- the second increase in two years. The OMB mark permits continuation of programs at current levels with some increases for maintenance of the Canal's capital structure. No staffing increases have been provided. Despite the lower OMB mark, a toll increase will still be required. Neither the agency request nor the OMB mark affects the on-going Panama Canal treaty negotiations. Agency has accepted the recommended OMB mark.

	Budget authority (In thousands of dollars)	Outlays	Full-time permanent employment
1975 actual	37,839	3,313	13,768
1976 current estimate	4,176	12,000	13,840
1976 OMB employment ceiling	xxxx	xxxx	13,840
Transition quarter current estimate	2,074	2,648	xxxx
1977 agency request	8,019	14,274	14,236
1977 OMB recommendation	<u>5,519</u>	<u>3,600</u>	<u>13,840</u>
Effect of OMB recommendation on agency request	- 3,000	-10,674	- 396
1978 estimate	5,000	5,000	13,840

Administrative
Conference of
the U.S.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Comments

The OMB recommendation of \$880,000 for 1977 provides increases of \$95,000 over 1976: \$30,000 for cost increases and \$65,000 for a study of the Federal Trade Commission's new trade regulation rulemaking procedures. Staffing increases requested by the Conference (four additional positions) are denied, and additional funds requested for new study initiatives are disallowed on the grounds that they can be accommodated--through reprogramming--within the recommended allowance.

	Budget authority (In thousands of dollars)	Outlays (In thousands of dollars)	Full-time permanent employment
1975 actual	750	752	12
1976 current estimate	785	765	16
1976 OMB employment ceiling	xxx	xxx	16
Transition quarter current estimate	196	220	xxx
1977 agency request	900	820	20
1977 OMB recommendation	880	815	16
Effect of OMB recommendation on agency request	-20	0	-4
1978 estimate	880	815	16

National Credit
Union Adminis-
tration

NATIONAL CREDIT UNION ADMINISTRATION

Comments

The agency requests increases to perform additional examinations of credit unions and to manage a larger number of loans of insolvent credit unions. OMB recommends no increase in personnel because historic productivity gains should offset workload increases and the proposed evaluation of the loan management activities may prove that the loans should be sold to the private sector. Agency agrees to work within existing personnel ceiling until proposed evaluation is completed.

	Budget authority (In thousands of	Outlays dollars)	Full-time permanent employment
1975 actual	xxx	-13,933	562
1976 current estimate	xxx	-16,762	576
1976 OMB employment ceiling	xxx	xxx	576
Transition quarter current estimate	xxx	-4,774	xxx
1977 agency request	xxx	-21,123	636
1977 OMB recommendation	xxx	-21,907	576
Effect of OMB recommendation on agency request	xxx	-784	-40
1978 estimate	xxx	-24,300	550

Council of
Economic
Advisers

COUNCIL OF ECONOMIC ADVISERS

Comments

The agency request seeks funding to continue its current economic analysis activities as provided for in the Employment Act of 1946. The OMB mark would provide the full amount requested, including funds for a higher level of computer activity in keeping with the council's desire to strengthen its economic forecasting capabilities.

	Budget authority (In thousands)	Outlays of dollars)	Full-time permanent employment
1975 actual	1,600	1,465	37
1976 current estimate	1,600	1,584	43
1976 OMB employment ceiling . . .	xxx	xxx	46
Transition quarter current estimate	400	421	43
1977 agency request	1,749	1,698	46
1977 OMB recommendation	<u>1,749</u>	<u>1,698</u>	<u>46</u>
Effect of OMB recommendation on agency request	0	0	0
1978 estimate	1,749	1,748	46

Marine
Mammal
Commission

MARINE MAMMAL COMMISSION

Comments

Agency request seeks funding for continued support of marine mammal research and to carry out oversight responsibilities under the Marine Mammal Protection Act of 1972. OMB mark would allow an additional \$100,000 in budget authority to cover mandatory cost increases. Agency has agreed to hold outlays and employment to the 1976 level.

	Budget authority (In thousands of dollars)	Outlays (In thousands of dollars)	Full-time permanent employment
1975 actual	750	528	7
1976 current estimate	900	919	10
1976 OMB employment ceiling . . .	xxx	xxx	10
Transition quarter current estimate	225	275	10
1977 agency request	1,000	925	11
1977 OMB recommendation	<u>1,000</u>	<u>919</u>	<u>10</u>
Effect of OMB recommendation on agency request.	0	-6	-1
1978 estimate	1,000	1,000	10

Comm. on Natl.
Policy Toward
Gambling

COMMISSION ON THE REVIEW OF THE
NATIONAL POLICY TOWARD GAMBLING

Comments

Commission requested funds to complete its final report before termination on December 15, 1976. Increases were requested to print 20,000 copies of the final report, 5,000 copies of an appendix, and 5,000 copies each of 4 special interest papers. OMB mark would allow sufficient funds to permit phase down of operations, 5,000 copies of the final report, and 1,000 respectively for the appendix and 4 special interest papers. The Commission has agreed with our recommendation.

	Budget authority (In thousands of dollars)	Outlays (In thousands of dollars)	Full-time permanent employment
1975 actual	1,000	948	18
1976 current estimate	745	770	20
1976 OMB employment ceiling	xxx	xxx	20
Transition quarter current estimate	186	242	xxx
1977 agency request	403	422	14
1977 OMB recommendation	<u>265</u>	<u>284</u>	<u>14</u>
Effect of OMB recommendation on agency request	138	-138	-0-
1978 estimate	<u>1/</u>		

1/ The Gambling Commission will terminate most of its operations by October 15, 1976, following submission of the final report to Congress and pursuant to statute, will go out-of-business sixty days later.

Comm. on Executive,
Legislative, and
Judicial Salaries

COMMISSION ON EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES

Comments

Agency requested no increase over 1973 level, when it was last constituted. OMB mark allows request and enables the second quadrennial review of appropriate pay levels for upper level positions in the Executive, Legislative, and Judicial branches of the Federal Government to commence in 1977.

	Budget authority (In thousands of dollars)	Outlays of dollars)	Full-time permanent employment
1975 actual	xxx	xxx	xxx
1976 current estimate	xxx	xxx	xxx
1976 OMB employment ceiling	xxx	xxx	xxx
Transition quarter current estimate	xxx	xxx	xxx
1977 agency request	100	95	6
1977 OMB recommendation	<u>100</u>	<u>95</u>	<u>6</u>
Effect of OMB recommendation on agency request	0	0	0
1978 estimate	0	5	xxx

Advisory Committee
on Federal Pay

ADVISORY COMMITTEE ON FEDERAL PAY

Comments

Agency requested level funding at 1976 level. OMB mark allows request to enable agency to continue surveys needed to review the annual report of the President's Pay Agent, to consider the recommendations of employee groups and to report findings and recommendations to the President.

	Budget authority (In thousands of dollars)	Outlays	Full-time permanent employment
1975 actual	130	83	1
1976 current estimate	135	106	1
1976 OMB employment ceiling ...	xxx	xxx	1
Transition quarter current estimate	34	46	xx
1977 agency request	135	118	1
1977 OMB recommendation	<u>135</u>	<u>118</u>	<u>1</u>
Effect of OMB recommendation on agency request	0	0	0
1978 estimate	135	128	1