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Posted (Viel Col.)

2/12

THE WHITE HOUSE WASHINGTON August 8, 1975 ACTION

Last Day: August 13

SUBJECT:

FROM:

MEMORANDUM FOR

THE PRESIDENT



H.R. 8597 - Treasury, Postal Service, and General Government Appropriations Act for 1976 and the Transition Quarter ending September 30, 1976

Attached for your consideration is H.R. 8597, sponsored by Representative Steed, which appropriates \$6,314,070,000 for FY 76 and \$1,275,352,000 for the transition quarter, July 1, 1976 through September 30, 1976 for activities of:

> Department of the Treasury U.S. Postal Service General Services Administration The Civil Service Commission The Executive Office of the President (except the Council on Environmental Quality and Office of the Special Representative for Trade Negotiations)

The enrolled bill appropriates \$16 million less in 1976 budget authority than your requests of \$6,330 million and provides \$5 million more than your transition quarter request of \$1,270 million.

A detailed analysis of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus), NSC, Bill Seidman and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 8597 at Tab B.







EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 7 ***75

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8597 - Treasury, Postal Service, and General Government Appropriations Act for 1976 and the Transition Quarter ending September 30, 1976

Last Day for Action:

August 13, 1975 - Wednesday

Appropriations	Administration	Enrolled	Congressional
(in millions):	Request	Bill	Change
1976	· ·	\$6,314.1	\$-16.4
Transition Quarter		1,275.3	5.0
Total	7,600.8	7,589.4	-11.4

Outlay Effect: Increases outlays by \$136 million in 1976 and by \$9 million in the transition quarter. Decreases outlays by \$14 million in 1977.

Highlights:

- Neither the size of the overall bill nor any specific changes cause us to recommend veto or a signing statement. We will be reviewing all items in the bill during this month with the objective of proposing, if justifiable, withholdings of some increases and requests for supplemental funds to restore some cuts.
- All congressional changes to your requests are discussed in the longer memorandum. None of the decreases are expected to cause serious interference with planned operations. The largest increase over your requests is for the payment to the Postal Service--\$115.6 million to continue, for a longer period, Federal subsidies to second, third, and fourth class mail.

Recommendation:

I recommend that you sign the enrolled bill.

Paul H. O'Neill Acting Director



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUC : 15

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8597 - Treasury, Postal Service, and General Government Appropriations Act for 1976 and the Transition Quarter ending September 30, 1976 Sponsor - Rep. Steed (D), Oklahoma

Last Day for Action

August 13, 1975 - Wednesday

Purpose

Appropriates, for activities of the Treasury Department, the Postal Service, the General Services Administration, the Civil Service Commission, the Executive Office of the President (except the Council on Environmental Quality and the Office of the Special Representative for Trade Negotiations), and certain other agencies and activities, \$6,314,070,000 for fiscal year 1976 and \$1,275,352,000 for the transition quarter, July 1 through September 30, 1976.

Agency Recommendation

Office of Management and Budget Approval

Other affected agencies

Approval (informally)

Discussion

10.00

The enrolled bill appropriates \$16 million less in 1976 budget authority than your requests of \$6,330 million. It provides \$5 million more than your transition quarter request of \$1,270 million. These appropriations increase outlay estimates for 1976 and the transition quarter by \$136 million and \$9 million, respectively, and decrease those for 1977 by \$14 million.

These total budget authority and outlay changes are not sufficient in themselves for me to recommend anything but approval of the bill. Neither, in my judgment, are any of the individual changes objectionable enough to justify a signing statement. We will review all items in the bill during the next month with the objective of proposing to you--for transmittal to the Congress--withholdings of some increases in the bill and requests for supplemental funds for the larger cuts.

The remainder of this analysis discusses the changes made in the bill to the requests for the Treasury Department, the Postal Service, the Executive Office of the President, and the General Services Administration. The discussion is in terms of budget authority changes for both 1976 and the transition quarter. Changes to other agencies in the bill were less than \$4 million each and amount to a net decrease of \$3.3 million.

Department of the Treasury

Requests for the Treasury Department were decreased by a net \$55.4 million. Increases of \$16.7 million were more than offset by decreases of \$72.1 million.

There are three decreases worth noting:

- The largest single decrease--\$37.2 million--delays funding for construction of a proposed new mint in Denver because authorizing legislation has not been enacted. The reports of both appropriations committees support the completion of the new facility by 1980.
- After submission of your budget, the Public Works Committees of the House and Senate approved relocating the Federal Law Enforcement Training Center from Beltsville, Maryland, to the former Glynco Naval Air Station at Brunswick, Georgia. The relocation decision resulted from a study of alternative sites by the General Services Administration for the Senate Public Works Committee. After the relocation was approved, the Treasury Department requested that funds proposed in the budget for construction at Beltsville be appropriated instead for staffing and operating the Glynco facility. This change resulted in Congressional action which provided an increase of \$11.4 million for salaries and expenses and denied the request of \$14.3 million for construction-a net decrease of \$2.8 million.
- Compliance functions of the Internal Revenue Service (IRS) were cut \$9.7 million from the request for the 15-month period. The reports of both appropriations committees expressed concern about the manner in which these compliance activities have been carried out. The House Appropriations Committee report mentions "possible excesses committed by personnel in the Service in the collection of

... taxes". Comments in the Senate Appropriations Committee report were directed at past activities that involved the IRS "in non-tax-related matters which drained valuable resources from tax administration and seriously impaired the goodwill of the American taxpayer toward a tax system which is largely voluntary in nature." The 1976 funds provided for compliance, however, are \$19 million more than the 1975 appropriations and both appropriation committee reports stress the need for proper tax administration and enforcement.

U.S. Postal Service

Two requests were presented to the Congress for the payment to the Postal Service fund--yours of \$1.9 billion for the 15-month period and a request directly from the Postal Service of \$2.7 billion for the same time period. The Congress appropriated \$115.6 million more than your request, or \$711.2 million less than the Postal Service's request. The addition to your request provides funds to extend (as authorized by Public Law 93-328) the time during which second class, third class bulk (non-profit), and fourth class mail will be subsidized by the Federal Government, rather than being paid for entirely by charges to mailers. Further, if a rate increase goes into effect later this year, the Congress has indicated they will maintain this subsidy level by including, in a supplemental appropriations bill, the additional funds that would be needed.

The enrolled bill also establishes and provides capital of \$5 million for a revolving fund that would shift the collection of foreign postal debts from U.S. flag air carriers to the Postal Service and Federal agencies, principally the State Department. The private carriers would be paid from the fund and the fund would receive foreign government payments. The conference report calls for coordinated efforts by Federal agencies to collect amounts due from foreign countries for postal services. The Senate Appropriations Committee report points out that no formal understanding has been reached between the Postal Service and the State Department on collection procedures and urges that this be done immediately.

Executive Office of the President

Requests for the Executive Office are decreased by \$22 million in the enrolled bill. Minor reductions were made for several of the offices, but only to apply uniformly the ten percent cut in rental costs being levied against each agency in every 1976 and transition quarter appropriation bill (see explanation later in this memorandum under the heading "General

3

Services Administration"). The Congress allowed all personnel requests for the Executive Office. The only large decrease is for \$20 million, the entire amount requested to pay, for the first time, interest on the inventory of Defense Production Act materials. The Defense Production Act Amendments of 1973 (P.L. 93-426) authorized this interest appropriation so as to more fully disclose the entire costs of the program. The congressional denial of the funds is based on the explanation, in the Senate Appropriation Committee Report, that the interest payment, if appropriated, would simply go into miscellaneous receipts of the Treasury.

General Services Administration

All changes to requested appropriations for the General Services Administration (GSA) are decreases: They amount to \$45.2 million, were made with little or no explanation in the appropriation committee reports, and will have little effect on the programs. Additional capital for the General Supply Fund, requested at the level of \$65 million, was cut by \$25 million--the largest single decrease--and the General Accounting Office was directed to study the operations of the fund.

As it did last year, the Congress is again adding to every appropriation bill for 1976 and the transition quarter, language prohibiting agencies from paying more than 90 percent of the GSA charge for space rental and related services, the Standard Level User Charge (SLUC). The SLUC system was initiated in 1975 and the Congress was critical of the "inequitable charges" to various agencies. Reports of both appropriation committees note that progress has been made, but encourage more. The prohibition preempts the usual Executive Branch responsibility for setting such charges and has the effect of cutting GSA's SLUC receipts by \$118 million, an amount planned and needed for contingencies and anticipated pay increases.

General Provisions

This appropriation bill carries general provisions applicable to all 1976 and transition quarter appropriation bills. At the request of the State Department, the Congress inserted language in one of these provisions (section 602) to permit the U.S. Government to employ refugees of South Vietnam in the same manner as refugees from Cuba, Poland, or the Baltic countries. A request to extend such treatment to refugees from Laos and Cambodia was not acted upon, but is not essential.

Recommendation

I recommend that you sign this bill.

Paul H. O'Neill Acting Director

4

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Date: August 7

Time: 930pm

FOR ACTION: Dick Parsons may Kathy Ryan A NSC/S Ken Lazarus Max Friedersdorf FROM THE STAFF SECRETARY

DUE: Date: August 8

Time: 1:0000

SUBJECT:

H.R. 8597 - Treasury, Postal Service, GSA Appropriations Act of 1976

ACTION REQUESTED:

____ For Necessary Action

__ For Your Recommendations

_____ Prepare Agenda and Brief

Draft Reply

____ For Your Comments

__ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material glease telephone the Staff Secretary immediately.

K. R. COLE, JR. For the President

DUE: Date: August 8	Time: 1:00pm
Date: August 7 FOR ACTION: Dick Parsons Kathy Ryan NSC/S Ken Lazarus Max Frieders TROM THE STAFF SECRETARY	
ACTION MEMORANDUM	WASHINGTON LOG NO .:

H.R. 8597 - Treasury, Postal Service, GSA Appropriations Act of 1976

ACTION REQUESTED:

----- For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

D.c. t Reply

Draft Remarks

REM RKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection -- Ken Lazarus 8/8/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James H. Cavanaugh For the President

-

NATIONAL SECURITY COUNCIL

August 8, 1975

MEMORANDUM FOR:

JAMES CAVANAUGH

FROM:

Jeanne W. Davis H. R. 8597 - Treasury, Postal

SUBJECT:

Service, GSA Appropriations Act of 1976

The NSC Staff concurs in the proposed Enrolled Bill H. R. 8597 -Treasury, Postal Service, GSA Appropriations Act of 1976.

ACTION MEMORANDUM WASHI	NGTON LOG NO.:
Date: August 7	Time: 930pm
By/ Scidmon FOR ACTION: Dick Parsons Kathy Ryan NSC/S Ken Lazarus Max Friedersdorf	cc (for information): Jim Cavanaugh Jack Marsh
FROM THE STAFF SECRETARY	

August 9

SUBJECT .

H.R. 8597 - Treasury, Postal Service, GSA Appropriations Act of 1976

ACTION REQUESTED:

---- For Necessary Action

____ For Your Recommendations

/1:00pm

____ Prepare Agenda and Brief

Draft Reply

---- For Your Comments

Drait Remarks

RFMARKS:

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Jeros H. Cavanaugh For the President

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Date: August 7 FOR ACTION: Dick Parsons Kathy Ryan NSC/S Ken Lazarus Time: 930pm Jim Cavanaug Jack Marsh	FROM THE STAFF SECRETARY	
Theres	Kathy Ryan NSC/S Ken Lazarus	
ACTION MEMORANDUM WASHINGTON LOG NO.:	Date: August 7	Time: 930pm
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ACTION REQUESTED:

For Necessary Action

Prepare Agenda and Brief

Draft Remarks

. Draft Reply

For Your Comments

REN RKS:

Please return to Judy Johnston, Ground Floor West Wing

AUG 8 1975

Recommend Approval AUG 8 AUG 8

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a dolay in submitting the required material, please telephone ine Staff Secretary immediately.

Janes H. Cavanaugh For the President

-

THE WHITE HOUSE WASHINGTON

August 8, 1975

TO: Judy

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FROM: Kathleen Ryan

Approve the bill.

ACTION MEMORANDUM WASHINGTON LOG NO.: Date: August 7 Time: 930pm POR ACTION: Dick Parsons Kathy Ryan NSC/S Ken Lazarus Max Friedersdorf PROM THE STAFF SECRETARY DUE: Date: August 8 Time: 1:00pm	SUBJECT:	
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	ACTION MEMORANDUM	WASHINGTON 200 ROL

H.R. 8597 - Treasury, Postal Service, GSA Appropriations Act of 1976

ACTION REQUESTED:

- For Necessary Action

____ Prepare Agenda and Brief

____ Draft Reply

- For Your Comments

Draft Remarks

REMARKS:

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James H. Cavanaugh For the President



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 7 1075

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8597 - Treasury, Postal Service, and General Government Appropriations Act for 1976 and the Transition Quarter ending September 30, 1976

Last Day for Action:

August 13, 1975 - Wednesday

Appropriations	Administration	Enrolled	Congressional
(in millions):	Request	Bill	Change
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Transition Quarter			5.0
Total	7,600.8	7,589.4	-11.4

Outlay Effect: Increases outlays by \$136 million in 1976 and by \$9 million in the transition quarter. Decreases outlays by \$14 million in 1977.

Highlights:

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Recommendation:

I recommend that you sign the enrolled bill.

Paul H O'Noill

Paul H. O'Neill Acting Director



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

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MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 8597 - Treasury, Postal Service, and General Government Appropriations Act for 1976 and the Transition Quarter ending September 30, 1976 Sponsor - Rep. Steed (D), Oklahoma

Last Day for Action

August 13, 1975 - Wednesday

Purpose

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Agency Recommendation

Office of Management and Budget

Approval

Other affected agencies

Approval (informally)

Discussion

The enrolled bill appropriates \$16 million less in 1976 budget authority than your requests of \$6,330 million. It provides \$5 million more than your transition quarter request of \$1,270 million. These appropriations increase outlay estimates for 1976 and the transition quarter by \$136 million and \$9 million, respectively, and decrease those for 1977 by \$14 million.

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Recommendation

I recommend that you sign this bill.

Paul H. O'Neill Acting Director

THE WHITE HOUSE

WASHINGTON

August 8, 1975

MEMORANDUM FOR:

JIM CAVANAUGH

FROM:

MAX L. FRIEDERSDORE

SUBJECT:

H.R. 8597 - Treasury, Postal Service, GSA Appropriations Act of 1976

The Office of Legislative Affairs concurs with the agencies

Attachments