

THE WHITE HOUSE

WASHINGTON

March 18, 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 \$56,700,000 and for the transition quarter in the amount of \$5,300,000 for the Department of Transportation and an amendment to reduce the request for appropriations contained in the fiscal year 1977 budget in the amount of \$74,000,000 for the United States Railway Association.

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

Respectfully,

*Gerald R. Ford*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

March 18, 1976

The President

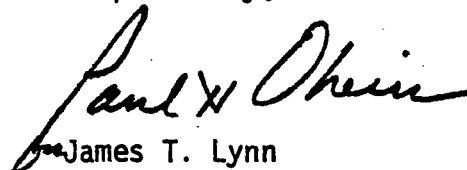
The White House

Sir:

I have the honor to submit for your consideration proposed supplemental appropriations for the fiscal year 1976 in the amount of \$56,700,000 and for the transition quarter in the amount of \$5,300,000 for the Department of Transportation and an amendment to reduce the request for appropriations contained in the fiscal year 1977 budget in the amount of \$74,000,000 for the United States Railway Association. The details to these requests are contained in the enclosure to this letter.

I have carefully reviewed the proposals for appropriations contained in these documents 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

Enclosure

DEPARTMENT OF TRANSPORTATION  
FEDERAL RAILROAD ADMINISTRATION

Grants to the National Railroad Passenger Corporation

For an additional amount for "Grants to the National Railroad Passenger Corporation", \$31,700,000, to remain available until expended: Provided, That the limitation on operating losses is increased to \$350,500,000.

For an additional amount for "Grants to the National Railroad Passenger Corporation" for the period July 1, 1976, through September 30, 1976, \$5,300,000, to remain available until expended: Provided, That the limitation on operating losses is increased to \$105,000,000.

These supplemental requests are required to cover operating losses, increased lease costs, and \$10 million in non-recurring inventory and equipment costs associated with AMTRAK rail passenger operations along the Northeast Corridor. Operating losses and increased lease costs are estimated to total \$21.7 million in 1976 and \$5.3 million in the transition quarter.

URBAN MASS TRANSPORTATION ADMINISTRATION

Urban Mass Transportation Fund

Rail Service Operating Payments

For an additional payment to the urban mass transportation fund, for rail service operating payments as authorized in the Urban Mass Transportation Act of 1964 (49 U.S.C. 1601 et seq.), as amended by Public Law 94-210, \$25,000,000 to remain available until expended, and no obligations in excess of that amount may be incurred prior to September 30, 1976: Provided, That commitments made pursuant to section 17 of that Act shall be added to the limitations contained in section 306 of Public Law 94-134.

This request is required to provide Federal payments to eligible recipients to cover higher commuter rail operating costs as authorized by the Railroad Revitalization and Regulatory Reform Act of 1976 (RRRRA). These costs are currently being absorbed by certain bankrupt railroads which will be acquired by ConRail on April 1, 1976, under provisions of the RRRRA. This request will be sufficient to cover the estimated additional commuter subsidies anticipated through September 30, 1976.

OTHER INDEPENDENT AGENCIES  
UNITED STATES RAILWAY ASSOCIATION

| Budget<br>Appendix<br>page | Heading  | 1977<br>budget<br>request | 1977<br>proposed<br>amendment | 1977<br>revised<br>request |
|----------------------------|--|---------------------------|-------------------------------|----------------------------|
| 885.                       | Payments for Purchase<br>of ConRail Securities | \$1,400,000,000           | \$-74,000,000                 | \$1,326,000,000            |

The Final System Plan for railroads in the Northeast and Midwest now contemplates a unified ConRail. The \$250 million contingency within the \$2.1 billion plan has therefore been partially applied against the \$2,026 million estimate of the amount of securities purchases needed for the unified ConRail. Since there is no further need for a contingency fund at this time, the remaining \$74 million is not required and it is proposed that the budget be amended accordingly.