

THE WHITE HOUSE

WASHINGTON

March 25, 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 \$503,150,000 and for the transition quarter in the amount of \$1,250,000 for the creation and operation of the Synthetic Fuels Commercial Demonstration Fund in the Energy Research and Development Administration.

The details of this proposal 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,

Enclosure





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

March 25, 1976

The President

The White House

Sir:

I have the honor to submit for your consideration proposed supplemental appropriations in the amount of \$503,150,000 for fiscal year 1976 and \$1,250,000 for the transition quarter for creation and operation of the Synthetic Fuels Commercial Demonstration Fund in the Energy Research and Development Administration, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Operating Expenses

For an additional amount for "Operating expenses", \$150,000, to remain available until expended.

For an additional amount for "Operating expenses" for the period of July 1, 1976, through September 30, 1976, \$250,000, to remain available until expended.

Synthetic Fuels Commercial Demonstration Fund

For expenses necessary for the Synthetic fuels commercial demonstration program, including necessary administrative expenses, \$3,000,000, to remain available until expended: Provided, That this appropriation shall be available only upon enactment into law of H.R. 12112 or similar legislation.

The Administrator of the Energy Research and Development Administration is authorized to issue to the Secretary of the Treasury for the purposes of the provisions of H.R. 12112 or similar legislation, debt obligations which shall not exceed \$500,000,000 and which shall remain available until expended: Provided That this authorization shall be effective only upon enactment into law of H.R. 12112 or similar legislation.

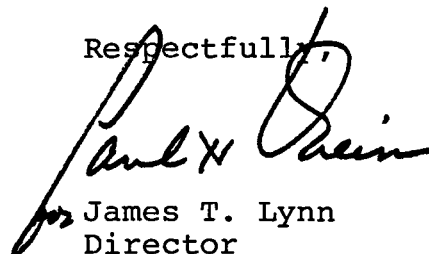
For an additional amount for necessary expenses of the "Synthetic fuels commercial demonstration fund" for the period July 1, 1976, through September 30, 1976, \$1,000,000, to remain available until expended: Provided, That this appropriation shall be available only upon enactment into law of H.R. 12112 or similar legislation.

These proposed supplemental appropriations would provide funding in support of legislation which would authorize the Energy Research and Development Administration to provide \$2 billion in loan guarantees for the demonstration of commercial production of synthetic fuel from coal, oil shale, and other domestic resources. The funding would provide borrowing authority for expenses related to possible loan defaults (although none are currently anticipated), allow hiring and support of additional personnel, and permit the contractual services and studies necessary for program planning and initiation.

The 1977 budget made provision for all but \$150,000 of the requested 1976 funds and all but \$250,000 of the funds requested for the transition quarter.

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

Respectfully,



for James T. Lynn
Director