

THE WHITE HOUSE
WASHINGTON

April 26, 1976

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider, for Funds Appropriated to the President, the Department of Defense-Military, and the Federal Energy Administration, fiscal year 1976 and transition quarter supplemental appropriations and amendments to 1977 appropriations requested in the 1977 budget. These requests total \$354,526,000 for fiscal year 1976, \$28,967,000 for the transition quarter, and \$849,510,000 for fiscal year 1977.

The details of these proposals 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,

Gerald R. Ford



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

April 26, 1976

The President

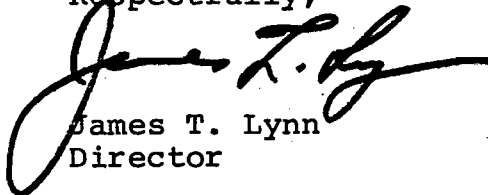
The White House

Sir:

I have the honor to submit for your consideration, for Funds Appropriated to the President, the Department of Defense-Military, and the Federal Energy Administration, proposed supplemental appropriations for fiscal year 1976 and the transition quarter and amendments to 1977 appropriations requested in the 1977 budget. These requests total \$354,526,000 for fiscal year 1976, \$28,967,000 for the transition quarter, and \$849,510,000 for fiscal year 1977. The details of these requests are contained in the enclosure to this letter.

I have carefully reviewed the proposals for appropriations contained in this document, and I am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

A handwritten signature in cursive script, reading "James T. Lynn".

James T. Lynn
Director

Enclosures

(Proposed 1976 and transition
quarter supplementals:)

FUNDS APPROPRIATED TO THE PRESIDENT

PETROLEUM RESERVES

For expenses necessary to carry out section 201 of the Naval Petroleum Reserves Production Act of 1976, \$24,152,000, to remain available until expended.

For "Petroleum reserves" for the period July 1, 1976, through September 30, 1976, \$15,350,000, to remain available until expended.

These funds will be used for reactivating and operating production facilities, and constructing pipeline tie-ins associated with opening up Naval Petroleum Reserves numbered 1 and 3 to maximum effective production.

OTHER INDEPENDENT AGENCIES

FEDERAL ENERGY ADMINISTRATION

Salaries and Expenses

For an additional amount for "Salaries and expenses", \$16,808,000.

For an additional amount for "Salaries and expenses" for the period July 1, 1976, through September 30, 1976, \$13,017,000: Provided, That this appropriation shall be available only upon enactment into law of authorizing legislation.

These funds will be used to carry out activities of the Federal Energy Administration authorized by the Energy Policy and Conservation Act. Primary activities include continuation of petroleum industry audits and investigations and initiation of a State grant program to promote energy conservation.

Strategic Petroleum Reserve

For expenses necessary to carry out sections 151 through 166 of the Energy Policy and Conservation Act of 1975, \$313,566,000, to remain available until expended.

For "Strategic petroleum reserve" for the period July 1, 1976, through September 30, 1976, \$600,000, to remain available until expended.

These funds will be used to carry out activities of the Federal Energy Administration authorized by sections 151 through 166 of the Energy Policy and Conservation Act of 1975. Primary activities include completion of various studies and construction of facilities needed for the petroleum storage program.

(Proposed 1977 Budget Amendments:)

FUNDS APPROPRIATED TO THE PRESIDENT

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
95	Petroleum reserves	---	\$421,366,000	\$421,366,000

(Add the above heading and the following paragraph immediately after the material under the account "Middle East Special Requirements Fund":)

For expenses necessary to carry out section 201 of the Naval Petroleum Reserves Production Act of 1976, \$421,366,000, and such sums as are available, not to exceed \$557,684,000, which shall be derived from the Naval Petroleum Reserves Special Account, to remain available until expended.

These funds will be used for production equipment and pipeline facilities for production from the Naval Petroleum Reserves and the continuing program for Oil Shale Reserves, and continued exploration and development of Naval Petroleum Reserve number 4 until it is transferred to the Department of the Interior and redesignated as the National Petroleum Reserve in Alaska. Funding to be derived from the Naval Petroleum Reserves Special Account, if available, will be used to offset appropriations requested from the General Fund for expenses necessary to carry out provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975. Of the amount requested, \$367,700,000 was included in the 1977 budget totals as an item proposed for later transmittal.

DEPARTMENT OF DEFENSE - MILITARY

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
247	Naval petroleum reserve (Delete the above heading and the paragraph thereunder.)	\$221,300,000	-\$221,300,000	--

Funding for this activity, authorized by section 201 of the Naval Petroleum Reserves Production Act of 1976, is being requested under the heading "Petroleum Reserves", Funds Appropriated to the President.

OTHER INDEPENDENT AGENCIES

FEDERAL ENERGY ADMINISTRATION

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
726	Salaries and expenses	\$101,397,000	\$91,760,000	\$193,157,000

These funds will be used to continue petroleum industry audits and investigations, to initiate a State grant program to promote energy conservation, and to carry out other activities required by the Energy Policy and Conservation Act.

Budget appendix page	Heading	1977 request pending	1977 proposed amendment	1977 revised request
726	Strategic petroleum reserve	---	\$557,684,000	\$557,684,000

(Add the above heading and the following paragraph immediately after the material appearing under the heading "Salaries and Expenses":)

For expenses necessary to carry out sections 151 through 166 of the Energy Policy and Conservation Act of 1975, \$557,684,000, to remain available until expended: Provided, That this appropriation shall be reduced to the extent that funds are made available for this purpose pursuant to section 201 of the Naval Petroleum Reserves Production Act of 1976.

These funds will be used to purchase petroleum for the strategic petroleum storage program and for other activities required by the storage provisions of the Energy Policy and Conservation Act.