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THE WHITE HOUSE

MAY 5, 1976

The President

of the Senate

Sir:

I ask the Congress to consider a proposed transfer of funds for the fiscal year 1976 in the amount of \$12,630,000 for 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,

Gerald R. Fol



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 5. 1976

The President

The White House

Sir:

I have the honor to submit for your consideration a proposed transfer of funds in the amount of \$12,630,000 for fiscal year 1976 for the Energy Research and Development Administration, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Plant and Capital Equipment

For an additional amount for "Plant and capital equipment", \$12,630,000, to be derived by transfer from "Operating expenses", to remain available until expended.

This transfer of funds would enable the Energy Research and Development Administration (ERDA) to pursue work on design of an add-on enrichment plant which would assure the availability of additional uranium enrichment capacity in the U.S. in the event that private industry's plans to provide the next increment of enrichment capacity cannot be carried out. This transfer provides funds for initiation of the engineering design for an add-on gaseous diffusion plant at an existing ERDA enrichment plant at Portsmouth, Ohio. This transfer is possible because of the lower than anticipated electric power costs for ERDA's existing uranium enrichment plants. This request does not in any way change our commitment to the policy that new uranium enrichment capacity should be financed, built, owned and operated by private industry.

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,

James T. Lynn

Director