

THE WHITE HOUSE  
WASHINGTON

June 4, 1976

The President  
of the Senate

Sir:

I ask the Congress to consider an amendment to the Energy Research and Development Administration request for appropriations transmitted in the budget for fiscal year 1977 in the amount of \$178,800,000, and for the addition of appropriation language which will be required by the Nuclear Fuel Assurance bill as reported out by the Joint Committee on Atomic Energy on May 14, 1976.

Approval of this request is necessary to assure the provision of additional uranium enrichment capacity in the U.S. under the pending Nuclear Fuel Assurance bill.

The details of this request 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,



Enclosure



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

June 4, 1976

The President

The White House

Sir:

I have the honor to submit for your consideration an amendment to the request for appropriations transmitted in the budget for the fiscal year 1977 in the amount of \$178,800,000, and additional appropriation language for the Energy Research and Development Administration (ERDA).

The details of these proposals are contained in the enclosure to this letter. First, the additional appropriation language is made necessary by Section 3 of the pending Nuclear Fuel Assurance bill. Second, the \$178.8 million amendment to ERDA's fiscal year 1977 appropriation request is for continued work on an add-on plant to an existing ERDA uranium enrichment facility, which is authorized in Section 4 of the pending Nuclear Fuel Assurance bill.

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

Respectfully,

A handwritten signature in black ink, appearing to read "James T. Lynn", written in a cursive style.

James T. Lynn  
Director

Enclosure

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Budget Appendix page	Heading	1977 request pending	1977 proposed language	1977 revised request
625	Operating expenses (Add the following paragraph immediately after the first paragraph under the above heading:)	\$4,622,126,000	language	\$4,622,126,000

Upon the enactment of Section 2 of H.R. 8401, or similar legislation, contracts for cooperative arrangements pursuant to the Atomic Energy Act of 1954, as amended, and as further amended thereby, may be entered into to an aggregate amount of \$8,000,000,000.

This proposed language is pursuant to the requirement of Section 3 of the proposed Nuclear Fuel Assurance legislation and permits the Energy Research and Development Administration, subject to the congressional review required by Section 2 of the proposed legislation, to enter into contracts for cooperative arrangements with private uranium enrichment firms up to the limit of \$8 billion as authorized in that legislation. These cooperative arrangements would represent a contingent liability to the U.S. Government but it is not expected that any funds would be expended for the assumption of private ventures.

625	Operating expenses	\$4,622,126,000	\$8,675,000	\$4,630,801,000
629	Plant and capital equipment	\$1,466,494,000	\$170,125,000	\$1,636,619,000

The additional FY 1977 funds for "Operating expenses," \$8,675,000, are for program support and gaseous diffusion process testing and development. The additional FY 1977 funds for "Plant and capital equipment" would provide \$170,000,000 for the continuation of design, the initiation of long lead time procurement and the initiation of construction of support facilities necessary for an add-on to an existing ERDA uranium enrichment facility, and \$125,000 for equipment associated with the program support activities.