

CONTENTS OF SPECIAL MESSAGE
(In thousands of dollars)

Rescis- sion #	Item	Budget Authority
	Agriculture	
	Food and Nutrition Service	
R76-46	Child nutrition program.....	9,350
	Health, Education, and Welfare	
	Office of Education	
R76-47	Elementary and secondary education (State equalization).....	3,000
R76-48	School assistance in federally affected areas.....	24,000
R76-49	Education for the handicapped (State grant program).....	90,000
	Subtotal, rescissions.....	126,350
<u>Defer- ral #</u>		
	Funds Appropriated to the President	
D76-114	United States Emergency Refugee and Migration.....	15,000
	Health, Education, and Welfare	
	Health Resources Administration	
D76-115	Health resources (special medical facilities).....	4,000
	Energy Research and Development Administration	
D76-116	Operating expenses.....	16,000 <u>1/</u>
	Other Independent Agencies	
	Federal Energy Administration	
	Strategic Petroleum Reserve Office	
D76-117	Strategic petroleum reserve.....	299,000 <u>2/</u>
	Subtotal, deferrals.....	334,000
	Total, rescissions and deferrals.....	460,350

1/ These funds were made available on July 22, 1976.

2/ This deferral was reduced to \$167,500,000 on July 1, 1976. Even though only a portion of the initial deferral is still being withheld, the Impoundment Control Act requires that we report the full amount of the initial withholding.

SUMMARY OF SPECIAL MESSAGES
FOR FY 1976 AND THE TRANSITION QUARTER

(Amounts in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Eighteenth special message:		
New Items.....	126,350	334,000
Changes to amounts previously submitted.....	---	---
Effect of the eighteenth special message.....	126,350	334,000
Previous special messages.....	3,328,964	7,806,128
Adjustments to eliminate double counting.....	---	-242,023
Total amount proposed in special messages.....	3,455,314 (in 49 re- scission proposals)	7,898,105 (in 117 deferrals)

NOTE: All amounts listed represent budget authority except for \$114,828,220 consisting of two general revenue sharing deferrals (of outlays only). Supplementary reports for these deferrals (D76-25F and D76-67A) are included in the seventeenth special message.

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency U.S. Department of Agriculture	New budget authority (P.L. <u>94-303</u>)	\$ <u>419,500,000</u>
Bureau Food and Nutrition Service	Other budgetary resources	<u>20,000,000</u>
Appropriation title & symbol 12X3539--Child Nutrition Programs	Total budgetary resources	<u>439,500,000</u>
	Amount proposed for rescission	\$ <u>9,350,000</u>
OMB identification code: 05-84-3539-0-1-604	Legal authority*(in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act	
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification

This proposal would rescind the following amounts provided for the transition quarter in the Second Supplemental Appropriations Act, 1976:

- (1) for school food service equipment, \$7 million
- (2) for State administrative expenses, \$2.4 million

The President requested no transition quarter funds for school food service equipment grants but did request a total of \$4.1 million that would be used for State administrative expenses.

Nonfood assistance funds

Large amounts of nonfood assistance funds (school food service equipment grants) were furnished to the States in past years in order to increase participation by schools in the National School Lunch program. Nonfood assistance funds have served to draw as many schools into the National School Lunch program as possible. The schools that are not now participating in the National School Lunch program either have other types of food service, do not wish to have food service, or have impediments preventing participation in the national program that go beyond a lack of food service equipment. There is no evidence that this program will continue to increase the number of schools participating in the National School lunch program. The Administration believes that the block grant approach as specified in the proposed Child Nutrition Reform Act would provide States with the flexibility to design programs that would reach the needy children not now participating in the National School Lunch program.

State administrative expenses

This program subsidizes State administration expenses incurred in carrying out State responsibilities related to the National School Lunch program. The supplemental request of \$4.1 million for the transition period compares with \$6.4 million provided by the enacted supplemental. The budget estimates include both \$1.7 million for the transition quarter provided under the traditional direct appropriation and approximately \$2.4 million for the Summer Feeding Program provided under the new section 13(k) of the National School Lunch Act, as amended by P.L. 94-105. Current estimates indicate that the original budget request is sufficient to meet anticipated needs and that consideration of additional increases cannot be justified pending completion of the on-going State Staffing study in the fall of 1976.

Estimated effects

The rescission proposal would result in no funding for nonfood assistance grants in the transition quarter. Since the Administration believes that the basic objective of the program--increasing the number of schools participating in the National School Lunch program--will no longer be accomplished by this program, no programmatic effect is anticipated by the rescission. In addition, authority for an annual level of \$3 million will be in effect for future grants under the recently expanded Child Care Food program (Section 17 of the National School Lunch Act). While the rescission would reduce direct appropriation outlays for State administrative expenses by \$2.4 million in the transition quarter, the resulting program level (which includes funding under the Summer feeding program) would result in a substantial increase over fiscal 1975 levels. This level is sufficient to provide for the increased workload resulting from recently enacted amendments to the National School Lunch Act and the Child Nutrition Act and should not affect the overall administration of the National School Lunch and Child Nutrition programs.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for the transition quarter.....	326.1
2. Outlay savings, if any, included in the budget estimate.....	-0-

Current Outlay Estimates for the Transition Quarter

3. Without rescission.....	331.4
4. With rescission.....	329.1
5. Current outlay savings (line 3 - line 4).....	2.4

Outlay Savings for 1977.....	-0-
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Outlay Savings for 1978.....	7.0
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DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

CHILD NUTRITION PROGRAMS

Funds appropriated under this head in the Second Supplemental Appropriations Act, 1976, for the period July 1, 1976, through September 30, 1976, in the amount of \$9,350,000 are rescinded.

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Department of Health, Education, and Welfare	New budget authority \$ <u>3,000,000</u> (P.L. <u>94-303</u>)
Bureau Office of Education	Other budgetary resources <u>---</u>
Appropriation title & symbol Elementary and Secondary Education (State Equalization) 7560279	Total budgetary resources <u>3,000,000</u>
OMB identification code: 09-40-0279-0-1-501	Amount proposed for rescission \$ <u>3,000,000</u>
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority*(in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

The \$3,000,000 being proposed for rescission represents funds appropriated in the Second Supplemental Appropriations Act, 1976 (P.L. 94-303). These funds would be used to reimburse States for the development of State school financing programs that conform with equity guidelines established by the Federal Government. The Administration did not request funds for this activity because this is a responsibility that States themselves should support. Financial support for specific State activities such as the development of equitable school financing mechanisms is a State -- not Federal -- responsibility.

Estimated Effects

The closing date for submission of State plans and applications under Section 842 of the Education Amendments of 1974 (P.L. 93-380) is July 1, 1977. Because of the wide variance in stages of development of approvable State school plans, it has not been accurately determined how many States would submit approvable plans. However, it is estimated that most States will go forward with equalization efforts without regard to Federal funding for support. Consequently, little negative impact is anticipated on State efforts toward equalization.

Outlay Effect: (estimated in millions of dollars)

Comparison with President's 1977 Budget

1. Budget Outlay estimate for the Transition Quarter ..	-0-
2. Outlay savings, if any, included in the budget outlay estimate	-0-
Current Outlay Estimates for the Transition Quarter	
3. Without rescission	\$ 2.0
4. With rescission	-0-
5. Current outlay savings	\$ 2.0
Outlay Savings for 1977	\$ 1.0
Outlay Savings for 1978	-0-

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education
ELEMENTARY AND SECONDARY EDUCATION

Funds appropriated under this head in the Second Supplemental Appropriations Act, 1976, for the period July 1, 1976 through September 30, 1976, in the amount of \$3,000,000 to carry out section 842 of Public Law 93-380 are rescinded.

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency Dept. of Health, Education and Welfare	P.L. 94-94 \$55,000,000
Bureau Office of Education	New budget authority P.L. 94-303 24,000,000
Appropriation title & symbol School Assistance in Federally Affected Areas (Savings Provisions) 7560280 75X0280	Other budgetary resources 11,000,000 Total budgetary resources 90,000,000
OMB identification code: 09-04-0280-0-1-501	*Amount proposed for rescission \$ 24,000,000
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority*(in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

The combination of appropriations from the regular 1976 Education Appropriations Act (P.L. 94-94) and the Second Supplemental Appropriations Act, 1976 (P.L. 94-303) is \$90 million, which would fully fund the discretionary "hold harmless" provisions. There is a total of four discretionary "hold harmless" provisions (contained in P.L. 87-874) that function to:

- (1) insure that each district receives 80% of the previous fiscal year's payment if the impact aid payment is less than 10% of the school district's budget. If this payment is 10% or more of the school district's budget, they are guaranteed 90% of the previous year's payment;
- (2) provide that if there was a decline during FY 1974 and FY 1975 of 10% or more in the impact aid eligible students, a district is assured that its payment will be at least 90% of the previous year's payment;
- (3) "hold harmless" at 90% of the previous fiscal year's amount a district's payment if 10% of the average daily attendance in the district are "b" category pupils who attend school in the district, but reside outside of the State or county in which the district is located;
- (4) provide that no district will receive less money as a result of the introduction of funding for "c" category pupils (those whose parents either live or work on low cost public housing) than they would without funding for these "c" category students.

The proposed rescission of \$24,000,000, appropriated in the Second Supplemental Appropriations Act, 1976, would reduce "hold harmless" payments to school districts. To a great extent, the "hold harmless" provisions negate the programmatic reforms of the Education Amendments of 1974 (P.L. 93-380). Various, they provide aid to school districts for children who are either not eligible (except for the "hold harmless" provisions) or not using the school districts' services.

Estimated Effects

The proposed rescission would reduce "hold harmless" payments to school districts from approximately 100% of the previous year's entitlement to approximately 75%. Such proration is consistent with the partial funding of other sections in the current appropriation.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget

1. Budget outlay estimate for the transition quarter	7.7
2. Outlay savings, if any, included in the budget outlay estimate	-0-
Current Outlay Estimates for the transition quarter	
3. Without rescission	58.7
4. With rescission	46.2
5. Current outlay savings (line 3 - line 4)	12.5
Outlay savings for 1977	11.5
Outlay savings for 1978	-0-

The rescission is being proposed in order to preclude the excess obligation of funds to States which they might not be able to spend effectively and to maintain a Federal financing level consistent with the Administration's priority for this program within the bounds of fiscal responsibility.

Estimated Effects

The proposed rescission of \$90,000,000 for this program would require States to provide additional funds for the special education and related services and comprehensive planning activities mandated by the Education for All Handicapped Children Act of 1975 including systems to locate and identify handicapped children, individualized education plans, and a comprehensive system of inservice training for instructional and support personnel.

The remaining level would be \$110 million.

Outlay Effect: (estimated in millions of dollars)

Comparison with President's 1977 Budget

1. Budget outlay estimate for the transition quarter	26.7
2. Outlay savings, if any, included in the budget outlay estimate	-0-
Current Outlay Estimates for the transition quarter	
3. Without rescission	37.6
4. With rescission	26.8
5. Current outlay savings	10.8
Outlay Savings for 1977	79.2
Outlay Savings for 1978	-0-

NOTE: The estimated effects stated above would be modified in the event of potential congressional action. The full Senate Committee has proposed in H.R. 14232 that the language in the Second Supplemental Appropriations Act (P.L. 94-303) be changed as follows:

"Sums appropriated for "Education for the handicapped" under P.L. 94-303 are for use in school year 1976-77 and are to become available on July 1, 1976 and remain available through September 30, 1977."

If this proposal is enacted into law, the \$90,000,000 supplemental funds for the State Grant program will be advance-funded and bring the total appropriated for the State Grant program, available during fiscal year 1977, to \$200,000,000.

If the \$90.0 million is changed to advance funding as noted above, the outlay effect of a rescission of that amount would be as follows:

Current Outlay Estimated for the transition quarter

3. Without rescission	37.6
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4. With rescission 26.8
5. Current outlay savings 10.8

Outlay Savings for 1977 37.4
Outlay Savings for 1978 41.8

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education
SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

Funds appropriated under this head in the Second Supplemental Appropriations Act, 1976, for the fiscal year 1976, amounting to \$24,000,000 for payments under subparagraphs (A), (B), (C), and (D) of section 305 of the Education Amendments of 1974 are rescinded.

PROPOSED RESCISSION OF BUDGET AUTHORITY

Report Pursuant to Section 1012 of P.L. 93-344

Agency <u>Department of Health, Education, and Welfare</u>	P.L. 94-94	\$ 110,000,000
Bureau <u>Office of Education</u>	(P.L. P.L. 94-303	90,000,000
Appropriation title & symbol <u>Education for the Handicapped (State Grant Program)</u>	Other budgetary resources	
<u>7560282</u> <u>756/70282</u>	Total budgetary resources	<u>200,000,000</u>
OMB identification code: <u>092-40-0282-0-1-501</u>	* Amount proposed for rescission	\$ <u>90,000,000</u>
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority*(in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____	
Type of account or fund: <input checked="" type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <u>9-30-77</u> (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification

The President's 1976 Budget included a request of \$50 million for the State Grant Program. An amount of \$110 million was appropriated for this program in P.L. 94-94, and an additional \$90 million was appropriated in the Second Supplemental Appropriations Act, 1976 (P.L. 94-303), resulting in a total of \$200 million for academic year 76/77. P.L. 94-303 limited the duration of availability of the \$90 million supplemental to September 30, 1976, whereas the \$110 million appropriated in P.L. 94-94 is available through September 30, 1977.

This action would result in a funding level for this program of \$110 million, which exceeds the program level of \$100 million for academic year 1975/76 by \$10 million. These funds are for State grants for diagnostic and prescription services, direct support, and other services.

In the past the late availability of appropriations made it difficult for States to program large additional Federal funds effectively. In addition, States must take a number of preliminary steps to implement the new education for the handicapped law which will limit their ability to immediately effect major expansion of services. Further, the rescission of \$90 million would result in a funding level for this program of \$110 million, which exceeds the original request by \$60 million. While the Administration recognizes the priority of serving handicapped children, it also recognizes that the present Federal deficit mandates fiscal restraint in order to meet as many educational priorities as possible in a fiscally responsible manner. The Administration views the appropriation of \$110 million for academic year 1976-77 as adequate to meet the priority placed on Federal special education.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education
EDUCATION FOR THE HANDICAPPED

Funds appropriated under this head in the Second Supplemental Appropriations Act, 1976, for fiscal year 1976 amounting to \$90,000,000 to carry out part B of the Education of the Handicapped Act are rescinded.

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Funds Appropriated to the President Bureau	New budget authority PL94-330: \$ <u>5,000,000</u> PL94-303: <u>10,000,000</u>
Appropriation title & symbol Emergency Refugee and Migration Assistance Fund 1160040 11X0040	Other budgetary resources Total budgetary resources <u>15,000,000</u>
OMB identification code: 04-30-0040-0-1-801	Amount to be deferred: Part of transition quarter \$ <u>15,000,000</u> Entire transition quarter _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification Section 501(a) of the Foreign Relations Authorization Act, Fiscal Year, 1976, P.L. 94-141, amended section 2(c) of the Refugee and Migration Assistance Act by authorizing a fund not to exceed \$25 million to enable the President to provide emergency assistance for unexpected, urgent refugee and migration needs. The fund was authorized in lieu of the President's previous authority under section 2(c) to transfer up to \$10 million of foreign assistance funds in any fiscal year to meet similar needs.

Budget authority has been provided to the fund as follows: (1) the Second Supplemental Appropriation Act, 1976, (P.L. 94-303) provides \$10 million in funds available until expended, and (2) the Foreign Assistance and Related Agencies Appropriation Act, 1976, (P.L. 94-330) provides \$5 million in funds available until September 30, 1976, for a combined total of \$15 million.

All authorities of the amended section 2(c) are vested in the President. In Executive Order No. 11922, the President allocated all funds appropriated under authority of section 2(c) to the Secretary of State, but he retained the authority to determine which refugee and migration needs are to be provided assistance. In keeping with this reservation of authority and to achieve the most economical use of appropriations (31 U.S.C. 665 (C)(1)), the full availability of the fund is deferred. Reapportionments will be made case-by-case during 1976 and the transition quarter as the President determines the refugee assistance needs to be financed by the fund.

Estimated Effects None

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for 1976	3.0
2. Outlay savings, if any, included in the budget outlay estimate	0

Current Outlay Estimate for 1976

3. Without deferral	0
4. With deferral	0
5. Current outlay savings (line 3 - line 4)	<u>0</u>
Outlay savings for the Transition Quarter	0
Outlay savings for 1977	0
Outlay savings for 1978	0

Development Act of 1974 (P.L. 93-641). That Act sets as a goal the funding and development of area and State-wide health planning agencies that have the responsibility for determining the resource development for their respective areas/States.

Estimated Effects

The \$4 million was appropriated for the explicit purpose of assisting the Rogers Memorial Hospital in expansion and modernization of its physical plant and is intended to provide new operating rooms, an intensive care unit, a coronary care unit, and help bring the existing structure into conformance with the Federal Life Safety Code. The Federal Government has already provided \$18,324,684 to this project. This represents 82% of the cost of the facility to date. The \$4 million will increase the Federal share of the project to \$22 million or 85% of the total project costs.

Allowing the \$4 million to be available for national competition will permit States and institutions which have determined their medical facility resource needs to compete for these funds.

Outlay Effect (estimated in millions of dollars)^{1/}

Comparison with President's 1977 Budget:

1. Budget outlay estimate for the transition quarter	\$1.2
2. Outlay savings, if any, included in the budget outlay estimate	---

Current Outlay Estimates for the transition quarter:

3. Without deferral	1.2
4. With deferral	-0-
5. Current outlay savings (line 3 - line 4).....	1.2
Outlay savings for 1977	1.2
Outlay savings for 1978	1.1

^{1/} There will be no overall outlay savings to the Health Resources Account. Outlays will be postponed to later years, however, as a result of the use of these funds for the medical facilities construction grants.

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-544

Agency: Energy Research & Development Bureau: Administration	New budget authority \$ <u>22,522,000</u> (P.L. <u>94-303</u>) Other budgetary resources <u>4,887,962,215</u>
Appropriation title & symbol Operating Expenses 89 X 0100	Total budgetary resources <u>4,910,484,215</u> Amount deferred: (until July 22, 1976) Part of transition quarter \$ <u>16,000,000</u> Entire transition quarter _____ *
OMB Identification code: <u>19-00-0100-0-1-999</u>	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification

This action deferred funding for Fossil Energy research and development contained in the "Second Supplemental Appropriations Act, 1976." The funds were deferred temporarily while consideration was given to how they would be used. The deferral was terminated on July 22, 1976.

Estimated Effects

None.

Outlay Effect (Estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for transition quarter.....1,151.
2. Outlay savings included in budget outlay estimate..... 0

Current outlay estimate for transition quarter:

3. Without deferral.....1,151.
 4. With deferral.....1,151.
 5. Current outlay savings (line 3 - line 4)..... 0
- Outlay Savings for 1977..... 0
Outlay Savings for 1978..... 0

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Federal Energy Administration	New budget authority (P.L. _____) Other budgetary resources Total budgetary resources <hr/> Amount to be deferred:
Bureau Strategic Petroleum Reserve Office	
Appropriation title & symbol 92X1501 Strategic Petroleum Reserve	(See <u>coverage</u> section below)
CME identification code: 30-66-1501-0-1-305	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	

Coverage

This action covers the fourth quarter of FY 1976 and the transition quarter as follows:

	<u>Fourth Quarter</u> <u>Fiscal 1976</u>	<u>T.Q.</u>
New budget authority (P.L. 94-303)	313,375,000	600,000
Unobligated balance	---	299,000,000
Total	<u>313,375,000</u>	<u>299,600,000</u>
 Amount deferred	 299,000,000	 167,500,000

Justification

This action defers the obligation of \$299,000,000 through June 30, 1976, and the obligation of \$167,500,000 through September 30, 1976. The program is authorized by the Energy Policy and Conservation Act (P.L. 94-163). The deferred amount was appropriated in the Second Supplemental Appropriations Act, 1976 (P.L. 94-303), which was signed into law on June 1, 1976.

A portion of the funds, appropriated on a no-year basis, is being deferred until 1977 while environmental impact studies, site appraisals, and site configuration studies are being completed and reviewed and plans are being prepared on a site by site basis for construction, materials acquisition, and other steps needed to implement the program. These tasks will insure the efficient, effective, and timely implementation of the program. The Federal Energy Administration plans to complete these tasks at the earliest possible date.

Estimated Effects

There is no effect from this deferral since the funds will not be used until completion of environmental impact and other studies.

Outlay Effect (estimated in millions of dollars)

Comparison with President's 1977 Budget:

1. Budget outlay estimate for the transition quarter.....	0.1
2. Outlay savings, if any, included in the budget outlay estimate.....	0

Current Outlay Estimate for the transition quarter:

3. Without deferral.....	4.6
4. With deferral.....	<u>4.6</u>

5. Current outlay savings (line 3 - line 4).....	0
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Outlay savings for 1977.....	0
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Outlay savings for 1978.....	0
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