

FOR IMMEDIATE RELEASE

DECEMBER 3, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith report four new deferrals of funds totalling \$3.7 billion. Funds deferred were appropriated for the Department of Labor, two International Security Assistance programs, and ACTION.

In addition, I am reporting revisions to two deferrals previously transmitted. The Department of Defense military construction deferral is increased by \$259.4 million and a General Revenue Sharing deferral in the Department of the Treasury is increased by \$11.1 million.

The details of each deferral are contained in the attached reports.

GERALD R. FORD

THE WHITE HOUSE,
December 3, 1976

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SUMMARY OF PROPOSED DEFERRALS
(in thousands of dollars)

<u>Defer- ral #</u>	<u>Item</u>	<u>Budget Authority</u>
	Funds Appropriated to the President:	
	International Security Assistance	
D77-37	Military assistance.....	73,000
D77-38	Foreign military credit sales.....	740,000
	Defense-Military:	
D77-10A	Military construction.....	335,883
	Labor:	
	Employment and Training	
	Administration	
D77-39	Advances to the unemployment trust fund and other funds.....	2,919,000
	Treasury:	
	Office of the Secretary	
D77-27A	State and local government fiscal assistance trust fund.....	21,075 <u>1/</u>
	Other Independent Agencies:	
	Action	
D77-40	Operating expenses.....	550
		<hr/>
	Total, deferrals.....	4,089,508

1/ Outlays only

SUMMARY OF SPECIAL MESSAGES
FOR FY 77
(Amounts in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Fifth special message:		
New items.....	---	3,732,550
Changes to amounts previously submitted.....	<u>---</u>	<u>270,475</u>
Effect of the fifth special message.....	---	4,003,025
Previous special messages.....	<u>99,100</u>	<u>2,016,010</u>
Total amount proposed in special messages.....	99,100 (in 4 rescis- sion proposals)	6,019,035 (in 40 deferrals)

NOTE: All amounts listed represent budget authority except for \$134,807,092 consisting of two general revenue sharing deferrals of outlays only (D77-26 and D77-27A). A report for D77-26 is included in the third special message and a report for D-27A is included in this message.

OUTLAY EFFECT

There is no outlay effect resulting from this deferral.

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

Agency Funds Appropriated to the President	New budget authority \$ <u>740,000,000</u> (P.L. <u>94-441</u>)
Bureau International Security Assistance	Other budgetary resources _____
Appropriation title & symbol Foreign Military Credit Sales, 1977 1171082	Total budgetary resources <u>740,000,000</u>
	Amount to be deferred: Part of year \$ <u>740,000,000</u> Entire year _____
OMB identification code: <u>11-1082-0-1-052 1/</u>	Legal authority (in addition to sec. 1013): <input 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 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

Pursuant to the Arms Export Control Act, the President is authorized to sell or finance by credit or guaranties defense articles and defense services for friendly countries to facilitate the common defense. The Foreign Assistance and Related Programs Appropriation Act, 1977 (Public Law 94-441) appropriated \$740,000,000 for fiscal year 1977 to enable the President to carry out those authorities. Under section 2 of the Arms Export Control Act, the Secretary of State, under the direction of the President, is responsible for continuous supervision and general direction of sales made under the Act, including determining whether there shall be a sale to a country and the amount thereof. Executive Order 11501 of December 22, 1969, as amended by Executive Order 11685 of September 27, 1972, delegated certain of the President's functions under the Arms Export Control Act to the Secretaries of State and Defense. Executive Order 11501 further requires the Secretary of State to obtain the prior concurrence of the Secretaries of Defense and the Treasury, respectively, regarding standards and criteria for credit and guaranty transactions that are based upon national security and financial policies.

As in the past, these funds have been deferred pending approval of specific loans to eligible countries by the Departments of State, Defense and the Treasury. Consultation among these Departments will ensure that each approved program is consistent with the foreign, national security and financial policies of the United States.

1/ The OMB identification code that appeared in the FY 1977 budget was 04-09-1082-0-1-052.

ESTIMATED EFFECT

This deferral will have no programmatic or budgetary impact and is not restrictive in nature.

A proposal to rescind a portion of funds available in this account for 1977 is under consideration. Two factors would affect the proposal:

- On September 7, 1976, the President proposed a rescission of excess funds available in this account for the transition quarter. Subsequently, on September 28, 1976, the maximum amount of funds permitted by the authorization legislation was released. These funds were used to finance programs planned for fiscal year 1977, because the Congress had not approved the proposed rescission and the funds would otherwise have lapsed.
- Moreover, it is possible that, as the fiscal year 1977 program is executed and further loans are approved, additional funds may be found to be excess. This possibility that available funds may exceed approved loans stems from (1) the mix of funding arrangements (direct loans and loan guaranties) agreed upon with the foreign countries and (2) the overall loan level that the President determines to be most appropriate.

OUTLAY EFFECT

There is no outlay effect of this deferral because funds will be released as loans are approved.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of P.L. 93-344

This report revises Deferral No. D77-10 transmitted to the Congress on October 1, 1976, and printed as House Document No. 94-650.

This revision reflects a net increase of \$259,399,799 in the amount to be deferred in fiscal year 1977 for Military Construction and Family Housing, Defense. Additional budgetary resources were made available primarily due to enactment of legislation authorizing appropriations for these accounts. The total amount now deferred is \$335,883,000.

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

Agency Department of Defense	New budget authority \$<u>3,451,306,000*</u> (P.L. <u>94-367</u>)
Bureau	Other budgetary resources \$<u>3,345,975,683*</u>
Appropriation title & symbol See Coverage section below	Total budgetary resources \$<u>6,797,281,683*</u>
Amount to be deferred:	
Part of year \$ <u>335,883,000*</u>	
Entire year _____	
OMB identification code: See Coverage section below	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____

Coverage	Appropriation Symbol	OMB Identification code 1/	Amount Deferred *
Military Construction, Army	21X2050	21-2050-0-1-051	\$135,550,000
Military Construction, Navy	17X1205	17-1205-0-1-051	10,559,000
Military Construction, Air Force	57X3300	57-3300-0-1-051	32,243,000
Military Construction, Defense Agencies	97X0500	97-0500-0-1-051	11,138,000 2/
Military Construction, Army National Guard	21X2085	21-2085-0-1-051	54,745,000
Military Construction, Air National Guard	57X3830	57-3830-0-1-051	29,667,000
Military Construction, Army Reserve	21X2086	21-2086-0-1-051	37,773,000
Military Construction, Naval Reserve	17X1235	17-1235-0-1-051	13,932,000
Military Construction, Air Force Reserve	57X3730	57-3730-0-1-051	2,932,000
Family Housing, Defense	97X0700	97-0701-0-1-051	7,344,000
Family Housing, Defense	9770700	97-0701-0-1-051	-0-
			<u>\$335,883,000</u>

1/ The OMB identification code that appeared in the 1977 budget for these accounts can be obtained by substituting "07-25" for the first two digits of the new codes listed here for all military construction accounts and "07-30" for the two family housing, defense accounts listed.

2/ On October 14, 1976, the deferral was increased from the amount originally reported (\$20,638,000) to \$23,638,000. The November 9, 1976, reapportionment released \$12,500,000 to arrive at the current figure.

* Revised from previous report.

Justification

The above amounts in the listed no-year appropriations are currently deferred under provisions of the Antideficiency Act (31 U.S.C. 665) which authorizes the establishment of reserves for contingencies.

Due to the long period of time required to construct facilities, the Congress makes appropriations for this purpose available until expended. The above funds are deferred due to administrative delays, such as project designs not being completed and incomplete coordination of projects with either other Federal agencies or local government agencies. Funds will be apportioned for individual projects throughout the year upon completion of project design and/or coordination.

Estimated effects

These deferrals have no programmatic or budgetary effect because the funds could not be obligated at this time, even if they were made available.

Outlay effect

There is no outlay effect resulting from this deferral since the funds could not be used if made available.

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

Agency U.S. Department of Labor	New budget authority (P.L. <u>94-439</u>)	\$ <u>5,000,000,000</u>
Bureau Employment and Training Administration	Other budgetary resources	<u>1,232,000,000</u>
Appropriation title & symbol Advances to the Unemployment Trust Fund and Other Funds 167/80327	Total budgetary resources	<u>6,232,000,000</u>
OMB identification code: <u>16-0327-0-1-603</u> ^{1/}	Amount to be deferred:	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Part of year	\$ _____
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <u>September 30, 1978</u> (expiration date) <input type="checkbox"/> No-year	Entire year	<u>2,919,000,000</u>
	/Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____	
	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification

P.L. 94-439 appropriated \$5,000,000,000 to this account to be used during fiscal years 1977 and 1978 to make advances to the Unemployment Trust Fund or to the Federal Unemployment Benefits and Allowances account whenever regularly available resources in those accounts are insufficient to pay unemployment compensation to individuals when due. It is estimated that only a portion of the appropriation will have to be used in fiscal year 1977; therefore, the remainder is reserved for use as needed in 1978.

Estimated Effects

Deferral of these funds will have no effect on those covered by unemployment compensation as the funds are not expected to be needed for benefit or allowance payments in 1977. They will be released from reserve if subsequent events indicate that additional advances are necessary.

Outlay Effect

The deferral will have no effect on outlays since the funds are not expected to be needed this year for the purpose for which they were appropriated.

^{1/} The OMB identification code that appeared in the FY 1977 budget was 12-05-0327-0-1-603.

Supplementary Report
Report Pursuant to Section 1014(c) of P.L. 93-344

This report updates Deferral No. D77-27 transmitted to the Congress on October 1, 1977, and printed as House Document No. 94-650.

This report for the State and local government fiscal assistance trust fund in the Office of the Secretary of the Treasury increases the previously reported deferral by \$11,075,234. This revision takes into account the failure of 3,286 local jurisdictions (rather than 2,800 as estimated in the original deferral) to file the reports and assurances required by law.

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

Agency Department of the Treasury	New budget authority (P.L. 92-512)	\$1,619,695,000
Bureau Office of the Secretary	Other budgetary resources	81,500,000
Appropriation title & symbol State and Local Government Fiscal Assistance Trust Fund 20X8111	Total budgetary resources	1,701,195,000
	Amount to be deferred:	
	Part of year <u>1/</u>	\$ 21,075,234*
	Entire year	-0-
OMB identification code: 20-8111-0-7-851 <u>2/</u>	Legal authority (in addition to sec. 1013): *	
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Antideficiency Act P.L. 94-488 & Sec. 121 &	
Type of account or fund: *	<input checked="" type="checkbox"/> Other <u>Sec. 123, P.L. 92-512</u>	
<input type="checkbox"/> Annual	Type of budget authority:	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input checked="" type="checkbox"/> Appropriation	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Justification*

In FY 1977, scheduled quarterly payments to 3,286 local jurisdictions have been deferred by the Secretary of the Treasury because local officials have failed to submit required reports and assurances or certifications of compliance with provisions of the law.

Estimated Effect*

Each case in which the local jurisdiction has not complied with the requirements of the law will be analyzed to determine whether or not the payments are to be waived by the Office of Revenue Sharing. If they are waived, the funds will be allocated to the level of government required by the Act (usually the next higher level).

Outlay Effect

There is no outlay effect of this deferral because the funds will be made available this fiscal year.

1/ Outlays only.

2/ The OMB identification code that appeared in the FY 77 budget was 15-70-8111-0-7-851.

*Revised from previous report.

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

Agency <u>ACTION</u> <hr/> Bureau <u>Peace Corps/Domestic Programs</u> <hr/> Appropriation title & symbol Operating Expenses, International Programs 4470100 <hr/> Operating Expenses, Domestic Programs 4470103	New budget authority (P.L. <u>94-441</u> ; <u>94-439</u>) \$ <u>188,200,000</u> Other budgetary resources <u>7,197,000</u> <hr/> Total budgetary resources <u>195,397,000</u> <hr/> Amount to be deferred: Part of year \$ <u>550,000</u> <hr/> Entire year _____
OMB identification code: <u>1/</u> <u>44-0100-0-1-451/44-0103-0-1-151</u>	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<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

A deferral of \$550,000 for new automatic data processing acquisitions has been established until the agency has completed a requirements study which will determine the agency's actual needs. The study is designed to assure that the money will be used for automatic data processing systems that effectively, efficiently, and economically meet the agency's needs.

Estimated effects

Waiting for the completion of the study will help assure useful data systems to support agency operations in the future.

Outlay effects

There are no outlay effects of this deferral since the agency is expected to be able to obligate and spend the funds in FY 1977 after completion of the data requirements study.

1/ The OMB identification codes that appeared in the FY 1977 budget were 30-01-0100-0-1-151 and 30-01-0103-0-1-451 respectively.