

THE WHITE HOUSE
WASHINGTON

September 17, 1974

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider a proposed supplemental appropriation for the fiscal year 1975 in the amount of \$8,000,000 for the United States Railway Association.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget, with whose comments and observations I concur.

Respectfully,

GERALD R. FORD

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

September 17, 1974

The President

The White House

Sir:

I have the honor to submit for your consideration a proposed supplemental appropriation for the fiscal year 1975 in the amount of \$8,000,000 for the United States Railway Association, as follows:

UNITED STATES RAILWAY ASSOCIATION

Administrative Expenses

For an additional amount for "Administrative expenses" \$8,000,000, to remain available until expended.

USRA was created by the Regional Rail Reorganization Act (RRRA) of 1973, to restructure the bankrupt Midwest and Northeast rail lines.

1974 supplemental requests of \$26 million for USRA were included in the President's 1975 budget, and reflected in the budget totals. Congress appropriated \$18 million, based on estimates that this would be adequate for fiscal 1975. However, detailed planning by USRA has revealed an urgent need for the full \$26 million authorized by the RRRA. It is important to note that this would not add to the total amount of the President's 1975 budget, having been already reflected therein.

Without this supplemental, USRA would be forced to curtail its data collection and special studies. Although this might save several million dollars, planning quality would suffer, jeopardizing the viability of the new system, exposing \$1.5 billion in Federal loan guarantees to possible default, and paving the way toward nationalization.

I have carefully reviewed the proposal for appropriations contained in this document and am satisfied that this request is necessary at this time. I recommend, therefore, that this proposal be transmitted to the Congress.

Respectfully,

