assuring a fair minimum of return to operators, except to collect and hold solely for the purchase of new equipment or for order of the licensing agency any charges authorized for those purposes by the licensing agency; and

(5) Specify that only the licensing agency shall have control with respect to selection, placement, financial participation and termination of the operators, and the preservation, utilization, and disposition of program assets.

(b) If the licensing agency permits any agency or organization other than an operator to hold any right, title to, or interest in vending stands or stock, the arrangement shall be one permitted by State law and shall specify in writing that all such right, title to, or interest is held as the nominee of the licensing agency for program purposes and subject to the paramount right of the licensing agency to direct and control the use, transfer, and disposition of such vending stands or stock.

§ 409.10 Approval of application for designation as licensing agency.

When the Secretary determines that the application and rules and regulations (or proposed rules and regulations) indicate a plan of program operations which will stimulate and enlarge the economic opportunities for the blind and meet the other requirements of the Act and of this part, he shall approve the application and shall designate the applying agency as the State licensing agency.

§ 409.11 Permit for establishment of vending stands.

Prior to the establishment of each vending stand, the designated State licensing agency shall submit and have approved, in accordance with regulations of the department or agency in control of the maintenance, operation, and protection of the Federal property (or procedures of the person in control of other property), an application for a permit setting forth the exact location, the amount of space to be occupied, the type of shelter and/or equipment, the types of items of merchandise to be offered for sale at each vending stand, including the number, location, and types of vending machines and other terms and conditions desired to be included in the permit.

§ 409.12 Maintenance and repair of vending stands.

The licensing agency shall maintain (or cause to be maintained) all vending stands in good repair and in an attractive condition and shall replace or cause to be replaced wornout and obsolete equipment as required to insure the continued successful operation of the stand.

§ 409.13 Revocation of designation as licensing agency.

The Secretary shall revoke the designation of any licensing agency if he finds after affording such agency an opportunity for a hearing, as hereinafter provided, that, in the administration of the program, there is a failure on the part of such agency to comply substantially with the provisions of the Act or of this part.

§ 049.14 Revocation of designation as licensing agency; procedures.

(a) If the Secretary has reason to believe that, in the administration of the program, there is a failure on the part of any licensing agency to comply, substantially with the Act and this part, he shall so inform such agency in writing, setting forth, in detail, the areas in which there is such failure and giving it a reasonable opportunity to comply.

(b) If, after the lapse of a reasonable time, the Secretary is of the opinion that such failure to comply still continues and that the licensing agency is not taking the necessary steps to comply, he shall offer to such agency, by reasonable notice in writing thereto and to the chief executive of the State, an opportunity for a hearing before the Secretary (or person designated by the Secretary) to determine whether there is a failure on the part of such agency to comply substantially with the provisions of the Act and of this part.

(c) If it is thereupon determined that there is a failure on the part of such agency to comply substantially with the Act and this part, appropriate written notice shall be given to such agency and to the chief executive of the State revoking said agency's designation as licensing agency effective 90 days from the date of such notice.

(d) If, before the expiration of such 90 days, the Secretary (or person designated by him) determines that the licensing agency is taking the necessary steps to comply, he may postpone the effective date of such revocation for such time as he deems necessary for the best interest of the program.

(e) If, prior to the effective date of such revocation, the Secretary (or person designated by him) finds that there is no longer a failure on the part of the licensing agency to comply substantially with the provisions of the Act and of this part, he shall so notify the agency and the chief executive of the State, in which event the revocation of the designation shall not become effective.

§ 409.15 Revocation of designation as licensing agency; effect.

(a) Effective upon the receipt of the notice of revocation of a State agency's designation as licensing agency, in accordance with § 409.14(c), the licensing agency's authority to issue licenses to blind persons for the operation of vending stands on Federal and other property under the Act and this part shall be suspended, except upon special authorization by the Secretary.

(b) After the effective date of the revocation of a State agency's designation as licensing agency, such agency shall have no authority to issue licenses to blind persons for the operation of vending stands under the Act and this part.

(c) If, at the expiration of 60 days from the effective date of a revocation of a State agency's designation as licensing agency, no other agency in the State is designated, pursuant to the provisions of the act and this part, as licensing agency, all licenses issued by the agency whose designation has been revoked shall terminate.

Effective Date: These regulations shall be effective December 5, 1974.

(Catalog of Federal Domestic Assistance Program Nos. 13.746, Rehabilitation Services and Facilities—Basic Support; 13.747, Vocational Rehabilitation Services for Social Security Disability Beneficiaries; 13.763, Rehabilitation Services and Facilities—Special Projects; 13.765, Rehabilitation Research and Demonstrations; 13.767, Rehabilitation Training)

Dated: November 29, 1974.

CASPAR W. WEINBERGER,
Secretary.

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PART III

ENVIRONMENTAL PROTECTION AGENCY

■

AIR QUALITY IMPLEMENTATION PLANS

Prevention of Significant Air Quality Deterioration

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER C—AIR PROGRAMS

[FRL 302-4]

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

Prevention of Significant Air Quality Deterioration

On May 31, 1972 (37 FR 10842), the Administrator of the Environmental Protection Agency published initial approvals and disapprovals of State Implementation Plans submitted pursuant to section 110 of the Clean Air Act, as amended in 1970.

On November 9, 1972 (37 FR 23836), all State Implementation Plans were disapproved insofar as they failed to provide for the prevention of significant deterioration of existing air quality. This action was taken in response to a preliminary injunction issued by the District Court for the District of Columbia, which also required the administrator to promulgate regulations as to any state plan which either permits the significant deterioration of air quality in any portion of any state, or fails to take the measures necessary to prevent such significant deterioration.

Accordingly, on July 16, 1973 (38 FR 18986), an initial notice of proposed rulemaking was published which set forth four alternative plans for preventing significant deterioration, and which solicited widespread public involvement in all aspects of the significant deterioration issue. A series of public hearings were held and over 300 written comments were submitted in response to this proposal. The hearing records and the written comments are available for inspection at the EPA Freedom of Information Office, 401 M Street, SW., Washington, D.C.

Due to the lack of precise direction either in the Clean Air Act or in the Court order, the initial proposals focused on the conceptual basis for regulations. The comments received on the proposed regulations therefore tended primarily to discuss conceptual issues such as the roles of federal and state/local governments, rather than detailed comments regarding implementation of the regulations. Accordingly, on August 27, 1974 (39 FR 31000), the Administrator issued reproposed regulations in order to properly explore all aspects of this issue and to focus more clearly on procedural and technical issues.

The Administration has submitted for consideration an amendment to the Act which would eliminate the requirement for preventing significant deterioration of air quality. This amendment is pending before the Congress. Although EPA does not endorse this amendment, EPA seeks full public debate on the significant deterioration issue and in issuing these regulations does not intend to delay or influence consideration of this amendment. The regulations issued herein are necessary because the Court has ruled that the current Clean Air Act requires the Administrator to prevent signficant deterioration, and this requirement must be met even though it is possible that Congress may provide additional guidance and/or legislative changes in the future.

The regulations proposed on August 27, 1974, called for the establishment of "classes" of different allowable incremental increases in total suspended particulates (TSP) and sulfur dioxide (SO_2). Class I applied to areas in which practically any change in air quality would be considered significant; Class II applied to areas in which deterioration normally accompanying moderate well-controlled growth would be considered insignificant; and Class III applied to those areas in which deterioration up to the national standards would be considered insignificant. Under the proposed regulation, all areas of the country would be designated Class II initially, with provisions for allowing States to reclassify any area to accommodate the social, economic, and environmental needs and desires of the public.

The plan would be implemented through a preconstruction review of specified source categories to determine whether these sources would cause a violation of the appropriate increments. The new source review also included a provision requiring the use of best available control technology on sources covered by the regulation. Finally, the proposal provided procedures for public comment on each application for permission to construct and for delegating the responsibility for implementing the new source review procedures to States or local governmental units.

Discussion of Public Comments

The August 27 proposal was criticized by environmental groups as being unresponsive to the District Court's order in that it permits the deterioration of air quality up to the national standards in Class III regions. Although this result could also occur in Class I or Class II regions where the difference between existing air quality and the national standard is less than the prescribed air quality increment, all such comments focused on the provision for Class III areas. Unless "significant deterioration" is defined as a percentage of the "unused" air resource, any air quality increment plan, regardless of how small the increment is, could allow deterioration up to the national standard in some instances. As discussed in the preamble to the proposals of July 16, 1973, and August 27, 1974, air quality monitoring is presently concentrated in heavily polluted areas, with only scattered monitoring in relatively clean areas. Vast numbers of additional monitors will be necessary to precisely define existing air quality, making a plan that is dependent on a knowledge of existing air quality virtually unworkable. Therefore, the fact that air quality could, in some instances, increase to the national standard, does not, in the Administrator's opinion, make the August 27 proposal inconsistent with the Court's ruling.

Additional comments involving Class III areas indicated that economic and social factors should have no bearing on the definition of significant deterioration. These comments stated that EPA must consider only air quality factors and that a single nationwide definition of significant deterioration must be established. Such comments did not take issue with Agency statements made on July 16, 1973, and August 27, 1974 that the definition of significant deterioration is basically a subjective decision. None of the comments suggesting changes to the increments proposed by the Administrator, or proposing alternate plans, offered any justification for the numbers which were selected. Since the consideration of "air quality factors" alone essentially leads to an arbitrary definition of what is "significant," this term only has meaning when the economic and social implications are analyzed and considered. Therefore, the Administrator believes that it is most important to recognize and consider these implications, since the consideration of air quality factors alone provides no basis for selecting one deterioration increment over another.

Even in the subjective terms that are required when considering only the environmental aspects, the contention that there must be a single definition of significant deterioration applicable nationwide does not appear to address the wide range of environmental needs which exist. Most of the comments implicitly recognized that there is a need to develop resources in presently clean areas of the country, and that significant deterioration regulations should not preclude all growth, but should ensure that growth occurs in an environmentally acceptable manner. However, there are some areas, such as national parks, where any deterioration would probably be viewed as significant. A single nationwide deterioration increment would not be able to accommodate these two situations.

Along these lines, comments were specifically requested in the proposal as to whether the Class II increment should be doubled. Power companies generally supported such a change, while other comments from the industrial sector indicated that the increments were adequate for well-controlled growth. Power companies indicated that many new plants would be much larger than those which would be allowed in a Class II area (approximately 1000 megawatts), and that the Class II increment ought to accommodate such development. None of the comments presented any reasons for permitting such development in a Class II rather than a Class III area, except that the initial designation of all areas will be Class II. The Administrator continues to feel that a Class II increment should be compatible with moderate, well-controlled development in a nationwide context, and that large-scale development should be permitted only in conjunction with a conscious decision to redesignate the area as Class III.

Many comments also criticized the omission of carbon monoxide (CO), nitrogen oxides (NOx), hydrocarbons (HC), and photochemical oxidants (Ox) from the regulations. As indicated on July 16, 1973, and August 27, 1974, and in previous actions involving indirect source review (38 FR 29893 at 29894, 39 FR 7270 at 7272, and 39 FR 25292 at 25295), existing analytical procedures are not adequate to determine the impact of individual sources on air quality concentrations of reactive pollutants (NOx and HC/Ox). The only presently available technique for relating emissions to air quality for these pollutants is the areawide proportional model used for demonstrating the adequacy of control strategies. The proportional model requires that measured air quality data be available; however, as indicated above, such data are very limited in presently clean areas (even more so than for TSP and SO_2). In contrast, the air quality concentration of stable pollutants can reasonably be estimated using a diffusion model and therefore measured air quality data are not necessary to determine the incremental air quality impact of an individual source. In addition, since the proportional model assumes that air quality is proportional to emissions, the key to analyzing the impact of an individual source focuses on the definition of baseline emissions. If the source would be located in a very clean area with virtually no baseline emissions, then the predicted air quality increase would be very large (when in fact it probably would not). If the source would be located in a large metropolitan area and the baseline emissions are those of the entire metropolitan area, then the predicted impact of a single additional source would be very small. Therefore, the proportional model is adequate for control strategy development in urban areas where measured air quality data are available and the aggregate impact of controlling many sources is being analyzed. However, it is inappropriate for analyzing the incremental impact of individual new sources.

At this time, the only practical approach for dealing with these pollutants appears to be to minimize emissions as much as possible. The Federal Motor Vehicle Control Program accomplishes this for individual motor vehicles. New source performance standards (NSPS) have already been established under Part 60 of this chapter for many of the source categories subject to the regulation. Where practicable, emission limitations for CO, NOx, and HC have been promulgated for those sources presently subject to Part 60. Although some of the source categories are not yet included in Part 60, either (1) those that are not covered are not significant emitters of CO, NOx, or HC, or (2) control technology for these pollutants is unavailable or an emission limitation is impractical (e.g. HC emissions from coke ovens).

One additional step which could be taken to minimize emission of CO, NOx, and HC appears to be in the area of minimizing vehicle miles of travel (VMT). Plans for reducing VMT and minimizing future VMT growth have been developed as part of the Transportation Control Plans (TCP) promulgated elsewhere in this chapter. Since the TCP's focus on major metropolitan areas, the flexibility available in designing these plans would be more limited when applied to rural and outlying areas. It is clear, however, that comprehensive transportation planning offers an appropirate mechanism for minimizing VMT growth in such areas. It is not clear, however, how EPA might become involved in comprehensive transportation planning throughout the country under these regulations, although States may wish to consider such an approach when developing their own plans to prevent significant deterioration. States of course, are not precluded from including other more comprehensive measures for dealing with HC, CO, and NOx in their own plans.

Some difficult additional questions arise as to how this concept of VMT minimization could be incorporated into these significant deterioration regulations. Would the addition of a VMT increment, similar to the air quality increment approach used in these regulations, be appropriate? Would a new source review of specific indirect sources be practical, or should the review apply to larger scale projects such as a new town or a large new development? The Administrator solicits additional comments on this issue and may modify the regulation at a later date if workable procedures in this area can be developed.

The August 27 proposal specified that all areas of the country, including those areas above the national standards, would be subject to the significant deterioration regulations, even though the District Court order only required the prevention of significant deterioration in areas presently below the national standards. This was done because it was not possible to specify in these regulations all areas of the country which exceed the national ambient air quality standards. In addition, there would be no practical impact of these significant deterioration regulations in areas above the standards, since emissions in such areas are being reduced under the state implementation plans, while these regulations provide for limited allowable increases in emissions.

Nonetheless, there were a number of comments requesting that these regulations specifically exempt all areas presently above the national standards. The regulations promulgated below provide for this exemption only with respect to the area classification requirements. The preconstruction review is still applicable in all areas of the country, in order to ensure that new sources be examined for their impact in presently clean areas which may be adjacent to areas that are above the national standards. In addition, the requirements for applying best available control technology are also applicable to all sources subject to review in order to minimize the deterioration caused by individual sources. This requirement is particularly important where a source in one State would use up a significant portion of the air quality increment in a neighboring State.

The exemption of areas from the classification requirements will be done on a county basis (or functionally equivalent area) and will be based on a determination by the State that the air quality in the county is pervasively above the national standard. No attempt has been made to define these counties in these regulations. Instead, States must notify the Administrator by June 1, 1975, of those areas which are exempt from the classification requirements.

There were a number of comments requesting clarification of the relationship of these regulations to other portions of the existing implementation plans, particularly the air quality maintenance plans (AQMP's) to be submitted by June, 1975. An air quality maintenance area (AQMA) is an area designated by the Administrator that may have the potential for exceeding any national standard within the next 10-year period as a consequence of current air quality and/or the projected growth rate of the area. The States are required to submit an analysis of the impact on air quality of projected growth in each designated potential problem area. Where maintenance problems are identified by this analysis, the states must also submit plans containing measures to ensure maintenance of national standards during the ensuing 10-year period. AQMA's have been proposed for specific pollutants and final designations will be published shortly. Where an AQMA has been designated because of projected problems in maintaining the NAAQS for either TSP or SO_2 the significant deterioration increment is applicable only to those portions of the AQMA which are cleaner than either standard. By design AQMA boundaries have been designated to include substantial areas which are relatively clean. This has been done to insure that the planning area corresponds to the entire area where projected new growth in emissions is likely to occur and where regional planning for public services, housing and employment is focused.

Although there seemed to be a general assumption that AQMA's should be designated as Class III, there are several situations where a State may wish to leave the clean air portions of an AQMA as Class II or even to redesignate the area to a Class I. This would limit peripheral growth so as to complement the goals of the AQMP and in this context, the significant deterioration would actually be a mechanism for partially implementing the AQMP. In addition, there are several clean air areas which have been proposed as AQMA's due to anticipated large-scale development of natural resources. A Class I or Class II designation for such areas would probably eliminate the need for an AQMP for TSP or SO_2, since the air quality constraint would be the Class I or Class II increment. Therefore, a "de-designation" of the AQMA for TSP or

SO_2 may be appropriate. In any case, the Administrator recommends that any proposed significant deterioration redesignation have boundaries consistent with AQMA boundaries to facilitate the development of the AQMA plan.

A Class III designation does not necessarily mean that an AQMP would be required. For example, a clean air area might be designated Class III on the basis of a marginal anticipated deterioration in air quality which exceeds the Class II increments. However, the anticipated resulting air quality would still be well below the national standards. If little additional development were anticipated over the subsequent 10-year period so as to threaten the national standards, no AQMP would be required.

Furthermore, it is important to recognize that area classifications do not necessarily imply current air quality or current land use patterns. Instead, classifications should reflect the desired degree of change from current levels and patterns.

A number of public comments indicated concern that these regulations would create a duplication of new source review procedures, which would require a source owner to apply to several different governmental agencies before he could commence construction.

Where the State assumes responsibility for carrying out the new source review procedure under these regulations, most of the concerns expressed above should be eliminated. Procedurally and administratively, the significant deterioration review is virtually identical to existing new source review procedures included in the implementation plan and, in fact, application could probably be made on the same forms. No additional sources would be covered by the significant deterioration review. The only difference between the two new source reviews is in the tests which must be met before approval will be granted. Instead of meeting only the emission limitations which are part of the applicable plan, sources covered by the significant deterioration review must also meet an emission limitation which is consistent with the application of best available control technology. The most restrictive emission limitation supersedes all others. In addition to not causing a violation of any national standard, sources covered by the significant deterioration review must not cause an applicable air quality increment to be exceeded. Technically, the calculations needed to determine if these additional tests will be met are very similar to those already being done. Therefore, where a State administers these regulations, integration with the existing plan should be relatively easy, resulting in only minor additional resource demands. If States do not assume responsibility for implementing these regulations, EPA, through its Regional Offices, will carry out the new source review as required by the Act. Since this may cause duplication of effort on the part of EPA and the States, as well as additional requirements for source owners, the Administrator strongly urges States to accept delegation of these regulations or to develop their own regulations pursuant to the guidance to be issued shortly pursuant to Part 51 of this chapter.

In response to public comments, the Administrator is considering the addition of other source categories, such as asphalt concrete plants and ferro-alloy plants, to these regulations. One possibility is to add those sources for which new source performance standards for particulate matter and sulfur dioxide have been proposed or promulgated under Part 60 of this chapter. A proposal to add other source categories will be issued shortly.

One comment indicated confusion as to what functions the Administrator intended to delegate to States under these regulations. The confusion apparently related to the definition of "Administrator" under paragraph (b)(3) as including the Administrator's "designated representative." Although the term "Administrator" is used in paragraph (c), relating to the approval of State redesignation, the Administrator does not intend to designate to a representative outside the Agency the review and approval functions under this paragraph. As indicated in paragraph (f), the only functions which will be delegated to States will be the preconstruction review under paragraphs (d) and (e).

A question was raised as to whether an area could have one classification for SO_2 and another for TSP. Different classifications for SO_2 and TSP may make sense in certain situations, and the Administrator does not intend to preclude this option.

Several public comments requested that the technical procedures for determining the air quality impact of a new source be specified by EPA. The techniques the Agency intends to use in most cases are set forth in "Guidelines for Air Quality Maintenance Planning and Analysis," Vols. 10 and 12. Volume 10, "Reviewing New Stationary Sources," pertains to the air quality impact of individual sources, while Vol. 12, "Applying Atmospheric Simulation Models to Air Quality Maintenance Areas," will be used to determine the impact of other growth and development in the area affected by the source. These documents are available for inspection at EPA's Regional Offices and the EPA Freedom of Information Center, 401 M Street, SW., Washington, D.C. 20460, and will be available shortly for general distribution through the National Technical Information Service, 5258 Port Royal Road, Springfield, Virginia 22151. The Administrator, or States which will be implementing the preconstruction review as EPA's agent, is not required to use the techniques in these documents if other techniques are more appropriate in certain circumstances.

There was considerable divergence of opinion over the initial classification of all areas. Industrial groups generally supported an initial designation of Class III so as to minimize disruption of projects scheduled to commence construction in the near future. Environmental groups supported an initial designation of Class I, fearing that a Class II or III designation would permit air quality deterioration of some clean areas before States could act to redesignate areas to a more restrictive classification. The Administrator continues to feel that an initial Class II designation represents the most reasonable compromise between these widely differing positions. Also, since the regulations apply only to sources which commence construction after June 1, 1975, the Administrator feels that this deferral should reduce disruption to the industrial sector while permitting States sufficient time to consider reclassifying any area either to Class I or III before requests for approval must be acted upon.

There were several questions raised concerning the appropriate size of an area which should be considered for redesignation. Calculations have shown that because of the small air quality increments specified for Class I areas, these levels can be violated by a source located many miles inside an adjacent Class II or III area. For example, a power plant which just meets the Class II increment for SO_2 could under some conditions violate the Class I increment for SO_2 60 or more miles away. Under the regulations promulgated below, a source could not be allowed to construct if it would violate an air quality increment either in the area where the source is to be located or in any neighboring area in the State. Therefore, wherever a Class I area adjoins a Class II or III area, the potential growth restrictions, especially for power plant development, extends well beyond the Class I boundaries into the adjacent areas. A similar situation exists, to a greater or lesser degree, wherever areas of different classification adjoin each other. Therefore, the area with the less restrictive classification should include an additional area at the periphery where it is clearly recognized that development will be somewhat restricted due to the adjacent "cleaner" area. As a result, a Class I redesignation could be fairly limited in size, yet the adjoining Class II or Class III areas would need to cover a substantial area in order to fully utilize the Class II or III increment. Again, it should be clear that the Class II or III increment could only be fully utilized toward the center of the area and that at the periphery, allowable deterioration will be dictated by the adjoining Class I area rather than the Class II or III increment.

The distance a large source would need to be located away from a Class I boundary is more dependent on the meteorological conditions in the area rather than the size of the source. Where very long pollutant travel times from the source to the receptor are involved, the assumptions concerning the persistence of wind direction and atmospheric stability are critical. At some point, it can be assumed that a receptor will be virtually

unaffected by a source, regardless of the source strength, since the critical meteorological conditions would not be expected to persist long enough to move the pollutants from source to receptor for any significant period of time. This distance is, of course, dependent on local meteorological conditions, but for most areas the maximum distance would be 60 to 100 miles.

CHANGES TO THE REGULATIONS

1. *Definition of Modified Source.* The term "expanded source" was used in the proposal in place of the more commonly used term "modified source" in order to specifically exclude from the preconstruction review sources which increase emissions solely due to switching from a low sulfur to a higher sulfur content fuel. The proposed definition of expanded source was related to whether a source increased emissions through a "major capital expenditure." This phrase was criticized by many as being too vague. Therefore, the general term "modified source" has been reinstated, along with a specific exemption for fuel conversion, which exemption is applicable only to the significant deterioration review procedures. The general definition of modified source in Part 52 is changed slightly to be more specific and to be consistent with the definition used in Part 60. Changes to the definition of modification in Part 60 were proposed on October 15, 1974 (39 FR 36946) and comments on this proposal are presently being analyzed. It is the Administrator's intent to change the definition of modification under Part 52 to be consistent with the final definition of this term under Part 60.

These changes are not intended to modify the applicability of either the proposed significant deterioration regulations or other new source review procedures promulgated elsewhere in Part 52.

2. *Definition of best available control technology.* Since this term may be used elsewhere in Part 52 in the future, it has been defined in the general definitions section of Part 52. The definition is consistent with the wording used in the August 27 proposal. It should be noted that new source performance standards (NSPS) may only apply to certain affected facilities within a large source. For example, only basic oxygen process furnaces in a steel mill are presently covered by NSPS, while blast furnaces, scarfing operations and other significant sources within the mill are not presently covered. BACT must be determined for these facilities on a case-by-case basis until such time as NSPS are issued for these other facilities.

3. *Definition of baseline air quality concentration.* The proposal intended to establish the baseline air quality as that air quality existing as of the effective date of regulation, adjusted to include air resource commitments resulting from approval of other air pollution sources pursuant to existing new source review procedures in the plan. The definition of baseline air quality has been clarified to reflect this intent and the calculation has been simplified by specifying the use of 1974 air quality data rather than 1973 data. No substantive change is intended by this revision.

4. *Conditions for applying for redesignation of areas.* In order that the Administrator have an adequate basis for determining whether an application to redesignate an area should be approved or disapproved, a provision has been added to paragraph (c) (3) (ii) to require that the necessary information be a part of the hearing record on the proposed designation. Specifically, the hearing record must show that the social, environmental, and economic effects of the proposed redesignation have been evaluated for the area being reclassified as well as for adjacent areas and that regional and national interests have been considered. The Administrator will provide additional guidance to assist States in developing their redesignation proposals and analyzing the impact of such redesignations.

5. *State reclassification of Federal and Indian Lands.* Various public comments indicate that Federal lands should be subject to State jurisdiction. EPA did not intend to preclude State redesignations provided that the Federal Land Manager can elect to keep the air quality over Federal lands in a more pristine condition than the State might designate. Therefore, the regulations have been revised to subject Federal lands to State redesignations but reserve to the Federal Land Manager the authority to subject such lands to a more stringent designation. This approach is consistent with section 118 of the Clean Air Act (42 U.S.C. 1857f) which requires that Federal agencies having jurisdiction over any property or facility meet substantive State air pollution control standards and limitations. There is nothing in the Clean Air Act or the legislative history of that Act that indicates the Congress intended to preclude the Federal Government from meeting more restrictive standards than are imposed by the States. This provision also ensures that national forests and parks can be protected by the Federal Government from deterioration of air quality. The different treatment accorded lands of exclusive Federal jurisdiction has been eliminated since the revised regulations make it clear that the Federal Government can protect air quality over all Federal lands. In accordance with Executive Order 11752, these regulations do not require Federal facilities to comply with State or local administrative procedures with respect to pollution abatement and control. Review of new sources on Federal lands is reserved to EPA, except as State review is permitted by a Federal Land Manager with respect to activities conducted under Federal leases.

The State of New Mexico commented that the proposed regulations appeared to take authority away from the States to regulate air pollution over Indian lands. These regulations were not intended to alter the present legal relationships between the States and Indian Reservations within the States. As these relationships vary from State to State, EPA has not attempted to define such relationships but has modified the proposed regulations to clarify that there is no intent to alter these relationships. Where States have not assumed jurisdiction over Indian lands, the regulations provide that the Indian governing body may propose redesignations to the Administrator. Boundary problems between Indian and State lands are dealt with in the same way that boundary problems between two States are dealt with, as discussed below. This is consistent with the independent status of Indian lands not subject to State laws.

6. *Public comment on proposed redesignations.* In order to permit the public an opportunity to comment on whether a proposed redesignation should be approved or disapproved, the Administrator will publish all proposed redesignations in the FEDERAL REGISTER as proposed rulemaking and provide a least 30 days for submission of public comments.

7. *Preconstruction review and BACT in Class III areas.* Several public comments criticized the proposed regulations for exempting sources in Class III areas from preconstruction review. It was pointed out that there would be no procedure to prevent construction of a source in a Class III area which would violate an increment in an adjacent Class I or II area. Therefore, the regulations promulgated below require that new sources, wherever they are located, must be reviewed to determine the impact on air quality in adjacent regions.

In order to minimize the deterioration caused by individual sources, the proposal has been modified to make the BACT requirements applicable wherever the source is located, not just in Class I or II areas. Since a source located many miles away from a Class I area could easily use up the entire Class I increment, as discussed below, the necessity to minimize emissions as much as possible in all areas is particularly important.

8. *Determination of allowable air quality increment.* The provisions of paragraph (d) (2) (i) have been modified to be more specific and to specify that reduction of emissions from existing sources which contributed to the baseline air quality concentration should be accounted for in determining the unused portion of the allowed air quality increment.

9. *EPA review of state redesignations.* The proposed regulations did not adequately cover problems created when a State or Indian Governing Body wishes to designate one or more of its areas in such a way that it will have a negative impact on other States or Indian Reservations. These regulations provide that a State or Indian Governing Body must take into account the effect of proposed redesignations on other States, Indian Reservations, and regional and national

interests. Where no State or Indian Governing Body protests the redesignation of another State or Indian Reservation, the Administrator will only review the redesignation to determine whether it is arbitrary and capricious. However, where a State or Indian Governing Body protests a redesignation to the State proposing the redesignation and to the Administrator, the Administrator will take an expanded role of review in which he will balance the competing interests involved.

10. *Specification of emission limitation.* In order to ensure that the requirement for applying BACT is properly implemented, the provisions of paragraph (d)(2)(ii) have been modified to require that an emission limitation be established as a condition to approval. This places the emphasis on emissions rather than the presence of any particular control equipment. This change also makes the BACT requirement for sources not covered by NSPS more consistent with the NSPS requirements. However, if the Administrator determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an emission standard infeasible, he may instead prescribe a design or equipment standard requiring the application of best available control technology. Such standard shall to the degree possible set forth the emission reductions achievable by implementation of such design or equipment, and shall provide for compliance by means which achieve equivalent results.

11 *Responsibility for performing air quality impact analysis.* A number of public comments suggested that the reviewing agency analyze the air quality impact of additional growth that has occurred in the vicinity of the proposed source since the reviewing agency is more likely to have the necessary data which is needed. The Administrator has concluded that it would be more appropriate for the reviewing agency to perform the air quality impact analysis based on information submitted by the applicant. This change will eliminate the uncertainty which was expressed concerning the requirement that the applicant analyze the air quality impact of general growth and development "in the area affected by the proposed source," since the reviewing agency will define this area and perform the calculations required. Also the provisions of paragraph (d)(3) do not require the applicant to submit growth data with each application. However, the reviewing agency may request such data from the applicant in cases where it does not have the necessary information and will specify the area over which such information is required.

12. *Procedures for public participation.* The procedures specified in paragraph (e) for public comment on an application to construct have been modified to be consistent with the procedures contained in EPA's regulations for indirect source review (39 FR 25292). The changes allow the reviewing agency to require additional information, where necessary, and permit the applicant to respond to public comments involving his application to construct.

13. *Sources subject to review.* As proposed on August 27, several of the 19 source categories subject to the preconstruction review appeared to be restricted to an individual process (e.g. Kraft pulp mill recovery furnaces) rather than all emission points on the premises. The wording has been changed to be consistent with the listing of the other source categories and to make clear that all emission points associated with a stationary source must be considered in determining whether the source will violate an applicable air quality increment. This change allows sintering plants to be dropped from the list, since sintering operations will be covered under the primary metals industries which are subject to review under these regulations.

A detailed explanation of the technical and policy considerations which form the basis for these regulations is being prepared. Upon completion, the Administrator will publish a notice in the FEDERAL REGISTER announcing the availability of this information for public inspection.

These regulations will be effective January 6, 1975 and will be applicable to sources commencing construction on or after June 1, 1975.

(Secs. 110(c) and 301(a) of the Clean Air Act as amended [42 U.S.C. 1857 c-5(c) and 1857 g(a)])

Dated: November 27, 1974.

RUSSELL E. TRAIN,
Administrator.

Subpart A, Part 52, Chapter I, Title 40, Code of Federal Regulations, is amended as follows:

1. In § 52.01, paragraph (d) is revised and paragraph (f) is added. As amended § 52.01 reads as follows:

§ 52.01 Definitions.

* * * * *

(d) The phrases "modification" or "modified source" mean any physical change in, or change in the method of operation of, a stationary source which increases the emission rate of any pollutant for which a national standard has been promulgated under Part 50 of this chapter or which results in the emission of any such pollutant not previously emitted, except that:

(1) Routine maintenance, repair, and replacement shall not be considered a physical change, and

(2) The following shall not be considered a change in the method of operation:

(i) An increase in the production rate, if such increase does not exceed the operating design capacity of the source;

(ii) An increase in the hours of operation;

(iii) Use of an alternative fuel or raw material, if prior to the effective date of a paragraph in this Part which imposes conditions on or limits modifications, the source is designed to accommodate such alternative use.

* * * * *

(f) The term "best available control technology," as applied to any affected facility subject to Part 60 of this chapter, means any emission control device or technique which is capable of limiting emissions to the levels proposed or promulgated pursuant to Part 60 of this chapter. Where no standard of performance has been proposed or promulgated for a source or portion thereof under Part 60, best available control technology shall be determined on a case-by-case basis considering the following:

(1) The process, fuels, and raw material available and to be employed in the facility involved,

(2) The engineering aspects of the application of various types of control techniques which have been adequately demonstrated,

(3) Process and fuel changes,

(4) The respective costs of the application of all such control techniques, process changes, alternative fuels, etc.,

(5) Any applicable State and local emission limitations, and

(6) Locational and siting considerations.

2. Section 52.21 is revised by designating the first paragraph (a) and adding paragraphs (b), (c), (d), (e), and (f) to read as follows:

§ 52.21 Significant deterioration of air quality.

(a) *Plan disapproval.* Subsequent to May 31, 1972, the Administrator reviewed State implementation plans to determine whether or not the plans permit or prevent significant deterioration of air quality in any portion of any State where the existing air quality is better than one or more of the secondary standards. The review indicates that State plans generally do not contain regulations or procedures specifically addressed to this problem. Accordingly, all State plans are disapproved to the extent that such plans lack procedures or regulations for preventing significant deterioration of air quality in portions of States where air quality is better than the secondary standards. The disapproval applies to all States listed in Subparts B through DDD of this part. Nothing in this section shall invalidate or otherwise affect the obligations of States, emission sources, or other persons with respect to all portions of plans approved or promulgated under this part.

(b) *Definitions.* For purposes of this section:

(1) The phrase "baseline air quality concentration" refers to both sulfur dioxide and particulate matter and means the sum of ambient concentration levels existing during 1974 and those additional concentrations estimated to result from sources granted approval (pursuant to approved new source review procedures in the plan) for construction or modification but not yet operating prior to

January 1, 1975. These concentrations shall be established for all time periods covered by the increments set forth under paragraph (c)(2)(i) of this section, and may be measured or estimated. In the case of the maximum three-hour and twenty-four-hour concentrations, only the second highest concentrations should be considered.

(2) The phrase "Administrator" means the Administrator of the Environmental Protection Agency or his designated representative.

(3) The phrase "Federal Land Manager" means the head, or his designated representative, of any Department or Agency of the Federal Government which administers federally-owned land, including public domain lands.

(4) The phrase "Indian Reservation" means any federally-recognized reservation established by Treaty, Agreement, Executive Order, or Act of Congress.

(5) The phrase "Indian Governing Body" means the governing body of any tribe, band, or group of Indians subject to the jurisdiction of the United States and recognized by the United States as possessing power of self-government.

(6) "Construction" means fabrication, erection, or installation of an affected facility.

(7) "Commenced" means that an owner or operator has undertaken a continuous program of construction or modification or that an owner or operator has entered into a binding agreement or contractual obligation to undertake and complete, within a reasonable time, a continuous program of construction or modification.

(c) *Area designation and deterioration increment.* (1) This paragraph applies to all States listed in Subpart B through DDD of this part, all lands owned by the Federal Government, and Indian Reservations, except those counties or other functionally equivalent areas that pervasively exceed any national ambient air quality standards for sulfur oxides or total suspended particulates and then only with respect to such pollutants. States shall notify the Administrator by June 1, 1975, of those areas which are above the national air quality standards and therefore are exempt from the requirements of this paragraph.

(2)(i) For purpose of this paragraph, areas designated as Class I or Class II shall be limited to the following increases in pollutant concentrations over the baseline air quality concentration:

Area designations

Pollutant	Class I (g/m)	Class II (g/m)
Particulate matter:		
Annual geometric mean	5	10
24-hr maximum	10	30
Sulfur dioxide:		
Annual arithmetic mean	2	15
24-hr maximum	5	100
3-hr maximum	25	700

(ii) For purposes of this paragraph, areas designated as Class III shall be limited to concentrations of particulate matter and sulfur dioxide no greater than the national ambient air quality standards.

(3)(i) All areas are designated Class II as of the effective date of this paragraph. Redesignation may be proposed by the respective States, Federal Land Managers, or Indian Governing Bodies, as provided below, subject to approval by the Administrator.

(ii) The State may submit to the Administrator a proposal to redesignate areas of the State Class I, Class II, or Class III, provided that:

(*a*) At least one public hearing is held in or near the area affected and this public hearing is held in accordance with procedures established in § 51.4 of this chapter, and

(*b*) Other States which may be affected by the proposed redesignation are notified at least 30 days prior to the public hearing, and

(*c*) A discussion of the reasons for the proposed redesignation is available for public inspection at least 30 days prior to the hearing and the notice announcing the hearing contains appropriate notification of the availability of such discussion, and

(*d*) The proposed redesignation is based on the record of the State's hearing, which must reflect the basis for the proposed redesignation, including consideration of (1) growth anticipated in the area, (2) the social, environmental, and economic effects of such redesignation upon the area being proposed for redesignation and upon other areas and States, and (3) any impacts of such proposed redesignation upon regional or national interests.

(iii) Except as provided in subdivision (iv) of this subparagraph, a State in which lands owned by the Federal Government are located may submit to the Administrator a proposal to redesignate such lands Class I, Class II, or Class III in accordance with subdivision (ii) of the subparagraph provided that:

(*a*) The redesignation is consistent with adjacent State and privately owned land, and

(*b*) Such redesignation is proposed after consultation with the Federal Land Manager.

(iv) Notwithstanding subdivision (iii) of this subparagraph, the Federal Land Manager may submit to the Administrator a proposal to redesignate any Federal lands to a more restrictive designation than would otherwise be applicable provided that:

(*a*) The Federal Land Manager follows procedures equivalent to those required of States under paragraph (c)(3)(ii) and,

(*b*) Such redesignation is proposed after consultation with the State(s) in which the Federal Land is located or which border the Federal land.

(v) Nothing in this section is intended to convey authority to the States over Indian Reservations where States have not assumed such authority under other laws nor is it intended to deny jurisdiction which States have assumed under other laws. Where a State has not assumed jurisdiction over an Indian Reservation the appropriate Indian Governing Body may submit to the Administrator a proposal to redesignate areas Class I, Class II, or Class III, provided that:

(*a*) The Indian Governing Body follows procedures equivalent to those required of States under paragraph (c)(3)(ii) and,

(*b*) Such redesignation is proposed after consultation with the State(s) in which the Indian Reservation is located or which border the Indian Reservation and, for those lands held in trust, with the approval of the Secretary of the Interior.

(vi) The Administrator shall approve, within 90 days, any redesignation proposed pursuant to this subparagraph as follows:

(*a*) Any redesignation proposed pursuant to subdivisions (ii) and (iii) of this subparagraph shall be approved unless the Administrator determines (*1*) that the requirements of subdivisions (ii) and (iii) of this subparagraph have not been complied with, (*2*) that the state has arbitrarily and capriciously disregarded relevant considerations set forth in subparagraph (3)(ii)(*d*) of this paragraph, (*3*) that the State has not requested delegation of responsibility for carrying out the new source review requirements of paragraphs (d) and (e) of this section.

(*b*) Any redesignation proposed pursuant to subdivision (iv) of this subparagraph shall be approved unless he determines (*1*) that the requirements of subdivision (iv) of this subparagraph have not been complied with, or (2) that the Federal Land Manager has arbitrarily and capriciously disregarded relevant considerations set forth in subparagraph (3)(ii)(*d*) of this paragraph.

(*c*) Any redesignation submitted pursuant to subdivision (v) of this subparagraph shall be approved unless he determines (*1*) that the requirements of subdivision (v) of this subparagraph have not been complied with, or (2) that the Indian Governing Body has arbitrarily and capriciously disregarded relevant considerations set forth in subparagraph (3)(ii)(*d*) of this paragraph.

(*d*) Any redesignation proposed pursuant to this paragraph shall be approved only after the Administrator has solicited written comments from affected Federal agencies and Indian Governing Bodies and from the public on the proposal.

(*e*) Any proposed redesignation protested to the proposing State, Indian Governing Body, or Federal Land Manager and to the Administrator by another State or Indian Governing Body because of the effects upon such protesting State or Indian Reservation shall be approved by the Administrator only if he determines that in his judgment the redesignation appropriately balances considerations of growth anticipated in the area proposed to be redesignated; the social, environmental and economic effects of such redesignation upon the

area being redesignated and upon other areas and States; and any impacts upon regional or national interests.

(vii) If the Administrator disapproves any proposed area designation under this subparagraph, the State, Federal Land Manager or Indian Governing Body, as appropriate, may resubmit the proposal after correcting the deficiencies noted by the Administrator or reconsidering any area designation determined by the Administrator to be arbitrary and capricious.

(d) *Review of new sources.* (1) This paragraph applies to any new or modified stationary source of a type identified below which will be located in any State listed in Subpart B through DDD of this part, which source has not commenced construction or expansion prior to June 1, 1975. A source which is modified, but does not increase the amount of a pollutant other than sulfur oxides or particulate matter, or is modified to utilize an alternative fuel, or higher sulfur content fuel shall not be subject to this paragraph.

(i) Fossil-Fuel Steam Electric Plants of more than 1000 million B.T.U. per hour heat input.

(ii) Coal Cleaning Plants.

(iii) Kraft Pulp Mills.

(iv) Portland Cement Plants.

(v) Primary Zinc Smelters.

(vi) Iron and Steel Mills.

(vii) Primary Aluminum Ore Reduction Plants.

(viii) Primary Copper Smelters.

(ix) Municipal Incinerators capable of charging more than 250 tons of refuse per 24 hour day.

(x) Sulfuric Acid Plants.

(xi) Petroleum Refineries.

(xii) Lime Plants.

(xiii) Phosphate Rock Processing Plants.

(xiv) By-Product Coke Oven Batteries.

(xv) Sulfur Recovery Plants.

(xvi) Carbon Black Plants (furnace process).

(xvii) Primary Lead Smelters.

(xviii) Fuel Conversion Plants.

(2) No owner or operator shall commence construction or modification of a source subject to this paragraph unless the Administrator determines that, on the basis of information submitted pursuant to subparagraph (3) of this paragraph:

(i) The effect on air quality concentration of the source or modified source, in conjunction with the effects of growth and reduction in emissions after January 1, 1975, of other sources in the area affected by the proposed source, will not violate the air quality increments applicable in the area where the source will be located nor the air quality increments applicable in any other areas. The analysis of emissions growth and reduction after January 1, 1975, or other sources in the areas affected by the proposed source shall include all new and modified sources granted approval to construct pursuant to this paragraph; reduction in emissions from existing sources which contributed to the baseline air quality; and general commercial, residential, industrial, and other sources of emissions growth not included in the definition of baseline air quality which has occurred since January 1, 1975.

(ii) The new or modified source will meet an emission limit, to be specified by the Administrator as a condition to approval, which represents that level of emission reduction which would be achieved by the application of best available control technology, as defined in § 52.01(f), for particulate matter and sulfur dioxide. If the Administrator determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an emission standard infeasible, he may instead prescribe a design or equipment standard requiring the application of best available control technology. Such standard shall to the degree possible set forth the emission reductions achievable by implementation of such design or equipment, and shall provide for compliance by means which achieve equivalent results.

(iii) With respect to modified sources, the requirements of subparagraph (2)(ii) of this paragraph shall be applicable only to the facility or facilities from which emissions are increased.

(3) In making the determinations required by subparagraph (2) of this paragraph, the Administrator shall, as a minimum, require the owner or operator of the source subject to this paragraph to submit: site information; plans, description, specifications, and drawings showing the design of the source; information necessary to determine the impact that the construction or modification will have on sulfur dioxide and particulate matter air quality levels; and any other information necessary to determine that best available control technology will be applied. Upon request of the Administrator, the owner or operator of the source shall also provide information on the nature and extent of general commercial, residential, industrial, and other growth which has occurred in the area affected by the source's emissions (such area to be specified by the Administrator) since the effective date of this paragraph.

(4)(i) Where a new or modified source is located on Federal lands, such source shall be subject to the procedures set forth in paragraphs (d) and (e) of this section. Such procedures shall be in addition to applicable procedures conducted by the Federal Land Manager for administration and protection of the affected Federal Lands. Where feasible, the Administrator will coordinate his review and hearings with the Federal Land Manager to avoid duplicate administrative procedures.

(ii) New or modified sources which are located on Indian Reservations shall be subject to procedures set forth in paragraphs (d) and (e) of this section. Such procedures shall be administered by the Administrator in cooperation with the Secretary of the Interior with respect to lands over which the State has not assumed jurisdiction under other laws.

(iii) Whenever any new or modified source is subject to action by a Federal agency which might necessitate preparation of an environmental impact statement pursuant to the National Environmental Policy Act (42 U.S.C. 4321), review by the Administrator conducted pursuant to this paragraph shall be coordinated with the broad environmental reviews under that Act, to the maximum feasible and reasonable.

(5) Where an owner or operator has applied for permission to construct or modify pursuant to this paragraph and the proposed source would be located in an area which has been proposed for redesignation to a more stringent class (or the State, Indian Governing Body, or Federal Land Manager has announced such consideration), approval shall not be granted until the Administrator has acted on the proposed redesignation.

(e) *Procedures for public participation.* (1) (i) Within 20 days after receipt of an application to construct, or any addition to such application, the Administrator shall advise the owner or operator of any deficiency in the information submitted in support of the application. In the event of such a deficiency, the date of receipt of the application for the purpose of paragraph (e) (1) (ii) of this section shall be the date on which all required information is received by the Administrator.

(ii) Within 30 days after receipt of a complete application, the Administrator shall:

(*a*) Make a preliminary determination whether the source should be approved, approved with conditions, or disapproved.

(*b*) Make available in at least one location in each region in which the proposed source would be constructed, a copy of all materials submitted by the owner or operator, a copy of the Administrator's preliminary determination and a copy or summary of other materials, if any, considered by the Administrator in making his preliminary determination; and

(*c*) Notify the public, by prominent advertisement in newspaper of general circulation in each region in which the proposed source would be constructed, of the opportunity for written public comment on the information submitted by the owner or operator and the Administrator's preliminary determination on the approvability of the source.

(iii) A copy of the notice required pursuant to this subparagraph shall be sent to the applicant and to officials and agencies having cognizance over the locations where the source will be situated as follows: State and local air pollution control agencies, the chief executive of the city and county; any comprehensive regional land use planning agency; and any State, Federal Land Manager or Indian Governing Body whose lands will be significantly affected by the source's emissions.

(iv) Public comments submitted in writing within 30 days after the date

such information is made available shall be considered by the Administrator in making his final decision on the application. No later than 10 days after the close of the public comment period, the applicant may submit a written response to any comments submitted by the public. The Administrator shall consider the applicant's response in making his final decision. All comments shall be made available for public inspection in at least one location in the region in which the source would be located.

(v) The Administrator shall take final action on an application within 30 days after the close of the public comment period. The Administrator shall notify the applicant in writing of his approval, conditional approval, or denial of the application, and shall set forth his reasons for conditional approval or denial. Such notification shall be made available for public inspection in at least one location in the region in which the source would be located.

(vi) The Administrator may extend each of the time periods specified in paragraph (e)(1) (ii), (iv), or (v) of this section or such other period as agreed to by the applicant and the Administrator.

(2) Any owner or operator who constructs, modifies, or operates a stationary source not in accordance with the application, as approved and conditioned by the Administrator, or any owner or operator of a stationary source subject to this paragraph who commences construction or modification after June 1, 1975, without applying for and receiving approval hereunder, shall be subject to enforcement action under section 113 of the Act.

(3) Approval to construct or modify shall become invalid if construction or expansion is not commenced within 18 months after receipt of such approval or if construction is discontinued for a period of 18 months or more. The Administrator may extend such time period upon a satisfactory showing that an extension is justified.

(4) Approval to construct or modify shall not relieve any owner or operator of the responsibility to comply with the control strategy and all local, State, and Federal regulations which are part of the applicable State Implementation Plan.

(f) *Delegation of authority.* (1) The Administrator shall have the authority to delegate responsibility for implementing the procedures for conducting source review pursuant to paragraphs (d) and (e), in accordance with subparagraphs (2), (3), and (4) of this paragraph.

(2) Where the Administrator delegates the responsibility for implementing the procedures for conducting source review pursuant to this section to any Agency, other than a regional office of the Environmental Protection Agency, the following provisions shall apply:

(i) Where the agency designated is not an air pollution control agency, such agency shall consult with the appropriate State or local air pollution control agency prior to making any determination required by paragraph (d) of this section. Similarly, where the agency designated does not have continuing responsibilities for land use planning, such Agency shall consult with the appropriate State and local land use planning agency prior to making any determination required by paragraph (d) of this section.

(ii) A copy of the notice pursuant to paragraph (e)(1)(ii)(c) of this section shall be sent to the Administrator through the appropriate regional office.

(3) In accordance with Executive Order 11752, the Administrator's authority for implementing the procedures for conducting source review pursuant to this section shall not be delegated, other than to a regional office of the Environmental Protection Agency, for new or modified sources which are owned or operated by the Federal government or for new or modified sources located on Federal lands; except that, with respect to the latter category, where new or modified sources are constructed or operated on Federal lands pursuant to leasing or other Federal agreements, the Federal land Manager may at his discretion, to the extent permissible under applicable statutes and regulations, require the lessee or permittee to be subject to a designated State or local agency's procedures developed pursuant to paragraphs (d) and (e) of this section.

(4) The Administrator's authority for implementing the procedures for conducting source review pursuant to this section shall not be redelegated, other than to a regional office of the Environmental Protection Agency, for new or modified sources which are located on Indian reservations except where the State has assumed jurisdiction over such land under other laws, in which case the Administrator may delegate his authority to the States in accordance with subparagraphs (2), (3), and (4) of this paragraph.

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PART IV

THE PRESIDENT

■

SPECIAL MESSAGE TO CONGRESS ON BUDGET RECISSIONS AND DEFERRALS

Special Message on Budget Rescissions and Deferrals

To the Congress of the United States

Last month I sent a 31-point economic program to the Congress. That program was a balanced one, both dealing with the forces of inflation and anticipating the possibility of rescissionary pressures. It was, and remains, my particular concern to help those hardest hit by inflation and by the slack that has developed in some sectors of the economy.

Responsible restraint of government spending is an integral part of my economic program. The Congress has publicly proclaimed its support of restraint. In June the Senate voted 74–12 in favor of legislation to hold Federal spending to $295 billion. In September the Joint Economic Committee unanimously recommended holding spending to $300 billion. Last month the House voted 329–20 for a budget target of the same level.

Soon after I took office I asked the heads of Federal agencies to undertake a thorough review of 1975 expenditures. In my October 8 Message to the Congress, I pledged to forward a package of proposed actions to reduce the 1975 budget. Today I am reporting on the results of this review and presenting my specific recommendations for reducing Federal outlays.

First, it is important to understand what has been happening to the budget. When the current fiscal year began last July 1, budget outlays for the year were estimated at $305.4 billion.

Interest costs for Federal borrowing are now expected to be $1.5 billion more than the estimate last June.

The Congress has also added to 1975 budget pressures. Congressional reductions in some programs have been more than offset by actions it has taken to increase spending in others. Particularly disappointing was the Congressional unwillingness to join with me in deferring for three months a Federal pay raise. This cost the taxpayers $700 million. Equally discouraging was the passage by Congress over my veto of the Railroad Retirement bill costing $285 million this year and $7 billion over the next 25 years.

There have been some reductions in expected spending levels. The Environmental Protection Agency will spend less than planned because anticipated schedules for sewage treatment construction have not been met.

However, the most significant change is the increased aid to the jobless—including the National Employment Assistance Act I proposed last month—that added $2.7 billion to the budget. This increase is necessary to ease the burden on those who are most affected by current economic stress.

Taking these developments into account, my present recommendations for $4.6 billion of budget reductions will result in a budget total of $299.5 billion before considering $2.7 billion increased spending for aid to the unemployed. These recommendations represent a major effort at budgetary restraint. It would be unwise, in my view, to add additional dollar reductions for each dollar of increased aid to the unemployed.

The fiscal year 1975 budget actions by the Executive and the Congress since July 1, including those I now propose, are summarized and compared to last year's actual expenditures as follows:

CHANGES IN BUDGET SPENDING
(Fiscal years; dollar amounts in billions)

	Defense [1]	Interest on the Public Debt	Payments for Individuals [2]	Other	Total
Actual 1974 expenditures	$78.4	$29.3	$110.1	$50.5	$268.4
1975 Budget (July 1 estimates)	85.8	31.5	130.5	57.6	305.4
Changes (including those proposed)	−2.6	+1.5	+1.0	−3.2	−3.3
Presently proposed levels for 1975	83.2	33.0	131.5	54.4	302.2
1975: Percent change since July 1	−3.0%	+4.8%	+.7%	−5.5%	−1.1%
1975: Percent change over 1974	+6.1%	+12.6%	+19.4%	+7.8%	+12.6%

[1] Department of Defense, Military and Military Assistance.
[2] Nondefense.

The 1975 outlay estimates can be affected significantly by variations in income from oil lease sales on the Outer Continental Shelf. This income is treated in the budget as an offset to spending. If the current schedule of lease sales is not met, for environmental or other reasons, or if the bids are significantly less than anticipated, outlays could further increase—possibly by $3 billion or more.

The reductions I propose to the Congress will require a number of changes in basic legislation and in pending appropriations. I am also transmitting proposed rescissions and deferrals, as required by the Congressional Budget and Impoundment Control Act, to reduce programs for which funds have already been appropriated. The rescissions would result in decreased outlays of over $200 million in 1975. Deferrals would reduce 1975 outlays by over $300 million.

Normally, funds are already being withheld when reports on rescissions and deferrals are transmitted to the Congress. Recognizing that these rescissions and deferrals are an integral part of a more far reaching and comprehensive proposal, I will not begin to withhold funds for the affected programs until December 16 although the law permits me to do so immediately.

The reductions I propose focus on programs that have grown rapidly in recent years or that have been increased substantially over budget proposals. In most cases, the level of 1975 outlays will be materially above actual spending last year. Even after the proposed cut-backs,

Federal benefit payments to individuals are estimated to be $131.5 billion. This is $1.0 billion above the July estimate, and $21.4 billion, or 19%, above actual spending last year.

While I am recommending further cuts in defense spending, I have taken into account the substantial reductions already made by the Congress. My current expectation for defense spending is $83.2 billion, $2.6 billion below the June estimate. I believe that further cuts in defense spending would be exceedingly unwise, particularly at this time.

In determining which budget programs should be reduced, I have tried to eliminate the less essential and to overcome inequities. I have tried to avoid actions that would unduly add to unemployment or adversely affect those hurt most by inflation.

The $4.6 billion budget outlay reduction I now propose is not large when compared with total Federal spending. Nevertheless, the Congress may find it difficult to agree with all my proposals. I strongly urge the Congress to accept them and join with me in this belt tightening. The reductions are essential to demonstrate to the American people that the Federal Government is working seriously to restrain its spending. They are also a start toward the imperative of gaining control over budgets in the future.

Gerald R. Ford

THE WHITE HOUSE,
November 26, 1974.

6. Proposed Rescissions

A total of 39 new rescissions are proposed: 37 totalling nearly $862 million in budget authority are transmitted under the provisions of Title X of the Impoundment Control Act of 1974, (P.L. 93-344). Two rescissions totalling $2.1 million in budget authority are proposed under provisions of the Antideficiency Act (31 U.S.C. 3679) and reported to the Congress under the provisions of Title X.

An agency summary of the outlay reductions that would result from Congressional approval of the proposed rescissions follows:

EFFECT OF RESCISSION ACTIONS ON OUTLAYS
(outlay reductions in millions of dollars)

	1975	1976
Agriculture	-13	-6
Commerce	-6	-4
Defense	-136	-169
Health, Education, and Welfare	-15	-35
Justice	-16	--
State	-2	--
Treasury	-24	--
General Services Administration	-10	-10
Special Action Office for Drug Abuse Programs	-2	-3
Total	-224	-227

The outlay reductions for each item are identified in the reports in this part.

As noted in the individual reports, the withholdings associated with new rescissions proposed will generally be delayed until December 16, 1974.

The reports transmitted herein are not the only rescissions proposed to the Congress in this fiscal year that are needed to restrain the 1975 budget. Special messages of the President of September 20 and October 4, as amended by the supplementary reports of November 13, proposed seven rescissions totalling $672 million in budget authority. Prompt approval of these rescissions is also requested to reduce Federal spending by nearly $160 M in 1975 and $250 M in 1976.

SUMMARY OF
PROPOSED RESCISSIONS

(dollars in thousands)

Rescission #	Item	Budget Authority
	Rescissions:	
	Agriculture:	
	Agricultural Stabilization and Conservation Service:	
R75-8	Water Bank Act Program-1974	11,213
	Forest Service:	
	Forest Protection and Utilization:	
R75-9	Cooperation in Forest Fire Control	4,921
R75-10	Reforestation and Stand Improvement	10,000
	Commerce:	
	Social and Economic Statistics Administration:	
R75-11	Salaries and Expenses	373
	Economic Development Administration:	
R75-12	Economic Development Assistance Programs	2,000
	Domestic and International Business Administration:	
R75-13	Financial and Technical Assistance	12,000
	United States Travel Service:	
R75-14	Salaries and Expenses	250
	National Oceanic and Atmospheric Administration:	
R75-15	Operations, Research and Facilities	500
	Patent Office:	
R75-16	Salaries and Expenses	700
	Defense, Military:	
	Operation and Maintenance	
R75-17	Army	41,000
R75-18	Navy	27,500
R75-19	Marine Corps	5,000
R75-20	Air Force	40,000
R75-21	Defense Agencies	1,900
R75-22	Army Reserve	1,800
R75-23	Navy Reserve	1,100
R75-24	Air Force Reserve	400
R75-25	Army National Guard	1,400
R75-26	Air National Guard	500
	Aircraft Procurement:	
R75-27	Army	13,500
R75-28	Air Force	248,000

Rescission #	Item	Budget Authority
	Rescissions: (continued)	
	Health, Education, and Welfare:	
	Health Resources Administration: Health Services	
R75-29	Planning and Development.....	372,466
	Justice:	
	Federal Bureau of Investigation:	
R75-30	Salaries and Expenses.....	5,300
	Immigration and Naturalization Service:	
R75-31	Salaries and Expenses.....	1,300
	Bureau of Prisons:	
R75-32	Salaries and Expenses.....	5,250
R75-33	Buildings and Facilities.....	1,750
	Drug Enforcement Administration:	
R75-34	Salaries and Expenses.....	2,400
	State:	
	International Organizations and Conferences:	
	Contributions to International	
R75-35	Organizations.....	2,000
R75-36	International Trade Negotiations...	100
	Treasury:	
	Office of the Secretary:	
R75-37	Salaries and Expenses.....	310
	Federal Law Enforcement Training Centers:	
R75-38	Salaries and Expenses.....	60
	Bureau of Accounts:	
R75-39	Salaries and Expenses.....	630
	U.S. Customs Service:	
R75-40	Salaries and Expenses.....	3,000
	Internal Revenue Service:	
R75-41	Salaries and Expenses.....	530
	Accounts, Collection and	
R75-42	Taxpayer Service.....	9,230
R75-43	Compliance.....	10,240
	General Services Administration	
	Public Buildings Service:	
R75-44	Federal Buildings Fund.....	20,023
	Special Action Office for Drug Abuse Programs:	
R75-45	Pharmacological research.....	2,760
R75-46	Special fund for drug abuse.....	2,240
	Total rescissions.....	863,646

Rescission Proposal No.: R75-8

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Agriculture	New budget authority (P.L. _____)	$ _____
Bureau Agricultural Stabilization and Conservation Service	Other budgetary resources	17,543,635
Appropriation Title & Symbol	Total Budgetary Resources	17,543,635
Water Bank Act Program - 1974 12X3320	Amount proposed for rescission	11,212,940

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Under the Water Bank Program, authorized by the Water Bank Act (P.L. 91-559), the Federal Government shares with farmers and landowners the cost of keeping certain wetlands out of production for the purpose of improving habitats (nesting and feeding areas) for migratory waterfowl and other wildlife. The Act provides that participants in the program enter into its long-term (10 year) agreements with the Secretary of Agriculture not to drain or otherwise alter the condition of these wetlands which have been designated as wildlife nesting and feeding areas. Under the Act, funds appropriated remain available until expended.

This program duplicates to a large degree an Interior Department program (Migratory Bird Conservation Fund).

Estimated Effect

This program provides little conservation benefits to the Nation and can therefore be eliminated with little consequence. Outlay reductions would be $1M in FY 1975 and $4M in FY 1976.

The funds remaining are needed to fund commitments under the 1974 program.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	3.8
Without rescission (current estimate)	2.8
With rescission (revised estimate)	1.8
(Effect of action on 1976 outlays	-4.0)

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

Water Bank Program

Appropriations provided in the Agriculture-Environmental and Consumer Protection Act of 1974 to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301-1311), are rescinded in the amount of $11,212,940.

Rescission Proposal No. R75-9

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Agriculture	New budget authority (P.L. 93-404)	$ 25,088,000
Bureau Forest Service	Other budgetary resources	--
Appropriation Title & Symbol Forest Protection and Utilization: 1251100 (State and Private Forestry Cooperation: Cooperation in Forest Fire Control)	Total Budgetary Resources	25,088,000
	Amount proposed for rescission	4,921,000

Justification

Rescission of $4,921,000 of the annual appropriation for cooperation in forest fire control is one of the special actions proposed by the President to restrain 1975 budget outlays. This program provides technical support and financial assistance to the States as an incentive to the States in their efforts to protect non-Federal land from fire. $20,167,000 has been made available for assistance to States for FY 1975. Protection of these lands is primarily a State and local responsibility. In FY 1973, the latest year for which complete data is available, $20 million of Federal funds was made available to the States. State and local governments provided more than $116 million. In addition, although no precise statistics exist, it is believed that private landowners expend annually amounts considerably in excess of all governmental expenditures for these purposes.

Estimated Effects

The estimated effect of the proposed rescission on forest fire control on State and private lands is negligible for two reasons. First, the amount of the rescission is estimated to be only about 1 to 2 percent of the total expenditures for this purpose. Secondly, it is reasonable to expect that highest priority activities will be accomplished within the funds available. Therefore, the funds proposed for rescission would affect the lowest priority activities.

The proposed rescission will bring the cooperative Forest Fire Control Program to the same level as FY 1974 and will result in outlay savings of $3.5 million in FY 1975 and $1.4 million in FY 1976. Direct Federal employment would be reduced by an estimated 5 man-years. Other employment would also be expected to be less than if the $4,921,000 were allocated to the States.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	20.3
Without rescission (current estimate)	23.8
With rescission (revised estimate)	20.3
(Effect of action on 1976 outlays	-1.4)

DEPARTMENT OF AGRICULTURE

Forest Service

Forest Protection and Utilization

Appropriations for the fiscal year 1975 for "Forest Protection and Utilization" for "State and Private Forestry Cooperation" are rescinded in the amount of $4,921,000.

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

R75-10

Agency Department of Agriculture	New budget authority (P.L. 93-404)	$ 50,079,000
Bureau Forest Service	Other budgetary resources	--
Appropriation Title & Symbol Forest Protection and Utilization: 1251100 (Forest Land Management: Reforestation and Stand Improvement)	Total Budgetary Resources	50,079,000
	Amount proposed for rescission	10,000,000

Justification

This withholding of funds is one of several special actions preposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Rescission of $10,000,000 of the annual appropriation for reforestation and stand improvement is proposed as part of the overall program of budgetary restraint. The program would then be $40,079,000, which is $6,748,000 more than the FY 1974 program. In addition, trust funds totaling $44,440,000 will be used for similar purposes on areas affected by timber sales. Reduction in the level of investments is possible without severe impacts on the on-going program.

Estimated Effects

It is estimated that the funds proposed for rescission would be sufficient to reforest about 22,000 acres and to accomplish stand improvement on about 108,000 acres. Annual growth would be reduced by about 40 million board feet. Direct Federal employment would be reduced by about 200 man-years. Non-Federal employment would also be reduced by about 200 man-years. Outlays would be reduced by $9M in FY 1975 and $1M in FY 1976.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal	35.3
Without rescission (current estimate)	49.3
With rescission (revised estimate)	40.3
(Effect of action on 1976 outlays	-1.0)

DEPARTMENT OF AGRICULTURE

Forest Service

Forest Protection and Utilization

Appropriations for the fiscal year 1975 for "Forest Protection and Utilization" for "Forest Land Management" are rescinded in the amount of $10,000,000.

Rescission Proposal No.: R75-11

PROPOSED RECISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 47,977,000
Bureau Social and Economic Statistics Administration	Other budgetary resources	$ ...
Appropriation Title & Symbol Salaries and Expenses 1350401	Total budgetary resources	$ 47,977,000
	Amount proposed for rescission	$ 373,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The programs of the Social and Economic Statistics Administration (SESA) provide for the collection, compiling, and publishing of a broad range of demographic, economic, and social statistics. In the current economic analysis programs, data is prepared and analyzed on the import and export of all types of merchandise and their method of transportation.

It is proposed to defer $373,000 for the reconciliation of discrepancies in bilaterial merchandise trade balance figures as reported by the U.S. and Japan. Initial exploratory discussions were to be held with both Japan and West Germany in FY 1975 to develop implementation plans. An agreement to proceed with a joint undertaking has been reached with West Germany. The efforts with Japan will be deferred until FY 1976.

The funds proposed for rescission are available only in fiscal year 1975.

ESTIMATED EFFECTS:

The remaining funds will still permit the completion of the U.S.-Canada reconciliation now underway.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal)	49.5
Without rescission (current estimate)	47.7
With rescission (revised estimate)	47.3
Effect of action on 1976 outlays	0)

DEPARTMENT OF COMMERCE

Social and Economic Statistics Administration

Salaries and Expenses

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975 are rescinded in the amount of $373,000.

Rescission Proposal No.: R75-12

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 184,200,000
Bureau Economic Development Administration		
Appropriation Title & Symbol	Other budgetary resources	$ ...
Economic Development Assistance Programs 1352050	Total budgetary resources	$ 184,200,000
	Amount proposed for rescission	$ 2,000,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The EDA appropriation provides funds for the full range of programs including public works, business development, planning, technical assistance and research. The total amount currently appropriated for all EDA programs in fiscal 1975 is $184,200,000.

It is proposed to rescind $2,000,000 of the $9,281,000 allocated to technical assistance. EDA's technical assistance program finances projects related to particular economic adjustment problems of distressed areas. The funds proposed for rescission are available only in fiscal year 1975.

ESTIMATED EFFECTS:

The rescission will reduce the amount of funding available for new technical assistance efforts in 1975, but it is not expected to seriously delay economic adjustment activities being funded by the EDA.

TOTAL 1975 OUTLAYS:

	DOLLARS IN MILLIONS
1975 Budget (February transmittal).	268
Without rescission (current estimate)	275
With rescission (revised estimate).	274
(Effect of action on 1976 outlays.	-1)

DEPARTMENT OF COMMERCE

Economic Development Administration

Economic Development Assistance Programs

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975 are rescinded in the amount of $2,000,000.

Rescission Proposal No: R75-13

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency Department of Commerce	New budget authority $_____ (P.L._____) Other budgetary resources 19,821,000
Bureau Domestic and International Business Administration	Total Budgetary Resources 19,821,000
Appropriation Title & Symbol Financial and Technical Assistance 13x1210	Amount proposed for rescission 12,000,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The Financial and Technical Assistance program was authorized by the Trade Expansion Act of 1962. The program provides financial and/or technical assistance to firms who are injured or threatened by increased imports, when the increase is due to a trade agreement entered into by the United States. Firms, which have been certified eligible by the Tariff Commission and the Department, may receive this financial assistance in the form of a direct loan, a loan guarantee and/or technical assistance. These funds are available without regard to fiscal year limitation.

To date, 34 firms have received approval of eligibility to apply for assistance. Of the 34 firms, 18 adjustment proposals have been approved, 1 is pending, and 15 have not yet been received. The proposed Trade Reform Act of 1974 establishes new criteria for financial and technical assistance. When the Act is passed, significant changes to the present program are anticipated. This proposed rescission will terminate funding for the existing program, when the remaining funds are used.

Estimated Effects:

Rescission of the $12,000,000 will leave an available balance of approximately $7,821,000. This balance will be sufficient to honor pending proposals from firms which have received approval of eligibility where preproposal technical assistance has been committed, or where a firm is well along in its proposal development. It is expected that the Trade Reform bill will be enacted, and that the new adjustment assistance program under that Act will assist firms in adjusting to imports in the future.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	9.3
Without rescission (current estimate).....	9.2
With rescission (revised estimate).....	6.0
(Effect of action on 1976 outlays.....	-3.0)

DEPARTMENT OF COMMERCE

United States Travel Service

Salaries and Expenses

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975 are rescinded in the amount of $250,000.

Rescission Proposal No. R75-14

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Commerce	New budgetary authority (P.L. 93-433)	$ 11,250,000
Bureau United States Travel Service		
Appropriate Title & Symbol	Other budgetary resources	$ ...
Salaries and Expenses 1350700	Total budgetary resources	$ 11,250,000
	Amount proposed for rescission	$ 250,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Funds have been appropriated for the 1975 programs to encourage foreign travel to the U.S. with emphasis concentrated on travel from 6 major tourism markets. It is proposed that USTS will reduce its consumer advertising, brochures and display programs, and research programs by $250,000 in FY 1975. **The funds proposed for rescission are available only in fiscal year 1975.**

ESTIMATED EFFECTS:

Consumer Advertising: The $100,000 reduction will decrease the frequency of print inserts in advertising campaigns by approximately 20% in U.K. and 7% in Germany.

Brochures and Displays: $80,000 proposed reduction will cause a deferral in the production of 4,700 cube displays and 450,000 VISIT USA maps.

Research and Analysis: $70,000 proposed reduction in Research and Analysis will defer the following projects for FY 1975: Canadian/Mexican Exits Survey; follow up to 1974 German Market Study; evaluation of Public Information activities.

DEPARTMENT OF COMMERCE

Trade Adjustment Assistance

Financial and Technical Assistance

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1972 are rescinded in the amount of $12,000,000.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	10.8
Without rescission (current estimate).....	10.7
With rescission (revised estimate).....	10.4
(Effect of action on 1976 outlays.....	0)

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344 R75-15

Agency Department of Commerce	New budget authority (P.L. 93-433)	$	440,930,000
Bureau National Oceanic and Atmospheric Administration	Other budgetary resources	$	4,175,851
Appropriation Title & Symbol	Total Budgetary Resources	$	445,105,851
Operations, Research and Facilities 13X1450	Amount proposed for rescission	$	500,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The Interstate Marine Fisheries Commissions encourage cooperative interaction between state and industry fishery interests through meetings on fisheries problems and management programs.

The Congress appropriated $500,000 in FY 1975 for the Atlantic, Gulf and Pacific Commissions to be used for data gathering leading to the development of a national fisheries policy. It is proposed that these funds be rescinded. NOAA is currently in the advanced stages of developing a national fisheries plan. Since the plan is due to be completed in 1975, the input that would be provided by this research would not be available in time for inclusion in the plan. The funds proposed for rescission are available without regard to fiscal year limitation.

ESTIMATED EFFECTS:

NOAA has a direct program of fisheries research which contributes a broad range of scientific knowledge on fisheries problems. This, along with public comment and input from private research groups, should provide adequate information for development of the national plan.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal)	0
Without rescission (current estimate)	.5
With rescission (revised estimate)	0
(Effect of action on 1976 outlays	0)

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

Operations, Research, and Facilities

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975, are rescinded in the amount of $500,000: Provided, That no part of the remaining sums shall be subject to the second proviso of said appropriation.

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344 R75-16

Agency Department of Commerce	New budget authority (P.L. 93-433)	$	76,300,000
Bureau Patent Office	Other budgetary resources	$	
Appropriation Title & Symbol	Total Budgetary Resources	$	76,300,000
Salaries and Expenses 13X51006	Amount proposed for rescission	$	700,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated. Funds are appropriated to the Patent Office in FY 1975 in order to examine patent and trademark applications, print patents and trademarks, and for related activities. It is proposed to defer the examination of 2,160 patents in 1975 at a savings of $625,000. Additional miscellaneous economies in patent classification, trademark examination, and customer services will allow the savings of an additional $75,000. The total amount of $700,000 is proposed for rescission in 1975. **The funds proposed for rescission are available only in fiscal year 1975.**

ESTIMATED EFFECTS:

At the current patent examiner productivity and the current rate of receipt of applications, rescission of funding for patent examination will have no impact on the achievement of the Patent Office's longstanding goal of reducing processing time of a patent application to 18 months by 1977. Disposal of patent applications has exceeded receipt of new applications by over 10,000 cases annually in 1973 and 1974. Productivity of the patent examining corps increased to an all time high in 1974, 116,003 application disposals. If apportioned, these funds would of necessity be used for additional examiner overtime. Miscellaneous economies in patent classification, trademark examination and customer services will result in a **savings of $75,000. Rescinding this amount will have no serious impact on these programs in 1975.**

TOTAL 1975 OUTLAYS:

	DOLLARS IN MILLIONS
1975 Budget (February transmittal).....	76.1
Without rescission (current estimate).....	75.4
With rescission (revised estimate).....	74.7
(Effect of action on 1976 outlays.....	0)

DEPARTMENT OF COMMERCE

Patent Office

Salaries and Expenses

Appropriations provided under this head in the Department of Commerce Appropriation Act, 1975 are rescinded in the amount of $700,000.

Rescission Proposal No.: R75-17

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 6,137,532,000
Bureau	Other budgetary resources	922,997,294
Appropriation Title & Symbol Operation and Maintenance, Army 2152020	Total Budgetary Resources	7,060,529,294
	Amount proposed for rescission	41,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of about ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $41 million and result in outlay reductions of $34.6 million in 1975 and $5.5 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$6,701.0
Without rescission (current estimate)	6,395.4
With rescission (revised estimate)	6,360.8
(Effect of action on 1976 outlays	-5.5)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Army

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $41,000,000, to be derived from the sum provided for the maintenance of real property facilities.

Rescission Proposal No.: R75-18

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 7,151,175,000
Bureau	Other budgetary resources	190,000,000
Appropriation Title & Symbol Operation and Maintenance, Navy 1751804	Total Budgetary Resources	7,341,175,000
	Amount proposed for rescission	27,500,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of about ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $27.5 million and result in outlay reductions of $20.6 million in 1975 and $6.1 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$6,763.0
Without rescission (current estimate)	6,876.0
With rescission (revised estimate)	6,855.4
(Effect of action on 1976 outlays	-6.1)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Navy

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $27,500,000, to be derived from the sum provided for the maintenance of real property facilities.

Rescission Proposal No.: R75-19

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 449,284,000
Bureau	Other budgetary resources	3,828,000
Appropriation Title & Symbol Operation and Maintenance, Marine Corps 1751106	Total Budgetary Resources	453,112,000
	Amount proposed for rescission	5,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $5 million and result in outlay reductions of $4 million in 1975 and $.9 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$437.0
Without rescission (current estimate)	462.1
With rescission (revised estimate)	458.1
(Effect of action on 1976 outlays	-.9)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Marine Corps

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $5,000,000, to be derived from the sum provided for the maintenance of real property facilities.

Rescission Proposal No.: R75-20

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 7,062,030,000
Bureau	Other budgetary resources	987,147,974
Appropriation Title & Symbol Operation and Maintenance, Air Force 5753400	Total Budgetary Resources	8,049,177,974
	Amount proposed for rescission	40,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of about ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $40 million and result in outlay reductions of $34.8 million in 1975 and $4.9 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$7,146.0
Without rescission (current estimate)	7,122.3
With rescission (revised estimate)	7,087.5
(Effect of action on 1976 outlays	-4.9)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Air Force

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $40,000,000, to be derived from the sum provided for the maintenance of real property facilities.

Rescission Proposal No.: R75-21

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 2,350,159,000
Bureau	Other budgetary resources	172,658,822
Appropriation Title & Symbol Operation and Maintenance, Defense Agencies 9750100	Total Budgetary Resources	2,522,817,822
	Amount proposed for rescission	1,900,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $1.9 million and result in outlay reductions of $1.7 million in 1975 and $.2 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$1,827.0
Without rescission (current estimate)	2,314.2
With rescission (revised estimate)	2,312.5
(Effect of action on 1976 outlays	-.2)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Defense Agencies

Appropriations provided only for the maintenance of real property facilities under this head in the Department of Defense Appropriation Act, 1975, in the amount of $100,000 for the Defense Mapping Agency, in the amount of $1,000,000 for the Defense Supply Agency, and in the amount of $800,000 for Intelligence and Communications activities; in all: $1,900,000, are rescinded.

Rescission Proposal No.: R75-22

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 276,600,000
Bureau	Other budgetary resources	200,000
Appropriation Title & Symbol Operation and Maintenance, Army Reserve 2152080	Total Budgetary Resources	276,800,000
	Amount proposed for rescission	1,800,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $1.8 million and result in outlay reductions of $1.6 million in 1975 and $.2 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$277.0
Without rescission (current estimate)	293.0
With rescission (revised estimate)	291.4
(Effect of action on 1976 outlays	-.2)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Army Reserve

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $1,800,000, to be derived from the sum provided for the maintenance of real property facilities.

Rescission Proposal No.: R75-23

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 245,200,000
Bureau	Other budgetary resources	1,600,000
Appropriation Title & Symbol Operation and Maintenance, Navy Reserve 1751806	Total Budgetary Resources	246,800,000
	Amount proposed for rescission	1,100,000

Justification

This withholding of funds is one of several special actions proposed by the President tc restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $1.1 million and result in outlay reductions of $.8 million in 1975 and $.2 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$228.0
Without rescission (current estimate)	245.6
With rescission (revised estimate)	244.8
(Effect of action on 1976 outlays	-.2)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Navy Reserve

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $1,100,000, to be derived from the sum provided for maintenance of real property facilities.

Rescission Proposal No.: R75-24

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 286,680,000
Bureau	Other budgetary resources	3,114,000
Appropriation Title & Symbol Operation and Maintenance, Air Force Reserve 5753740	Total Budgetary Resources	289,794,000
	Amount proposed for rescission	400,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a recission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $.4 million and result in outlay reductions of the same amount in 1975.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$274.0
Without rescission (current estimate)	289.6
With rescission (revised estimate)	289.2
(Effect of action on 1976 outlays	-0-)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Air Force Reserve

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $400,000, to be derived from the sum provided for maintenance of real property facilities.

Rescission Proposal No.: R75-25

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 589,500,000
Bureau	Other budgetary resources	
Appropriation Title & Symbol Operation and Maintenance, Army National Guard 2152065	Total Budgetary Resources	589,500,000
	Amount proposed for rescission	1,400,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $1.4 million and result in outlay reductions of $1.3 million in 1975 and $.1 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$601.0
Without rescission (current estimate)	613.9
With rescission (revised estimate)	612.6
(Effect of action on 1976 outlays	-.1)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Army National Guard

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $1,400,000, to be derived from the sum provided for the maintenance of real property facilities.

Rescission Proposal No.: R75-26

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 642,500,000
Bureau	Other budgetary resources	10,510,000
Appropriation Title & Symbol Operation and Maintenance, Air National Guard 5753840	Total Budgetary Resources	653,010,000
	Amount proposed for rescission	500,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Real property maintenance levels can be varied from year to year. A one-time reduction of ten percent in this annual account is proposed. This would result in a twenty percent reduction over the last half of fiscal 1975. If this reduced level of maintenance were continued over a period of time, it could become serious; however, a one-time reduction would have minimal adverse impact.

The appropriation language specifies that funds appropriated for real property maintenance may be used only for that purpose. Thus, savings in this area of activity may not be reprogrammed for increased pay costs, and a rescission is necessary to achieve this savings.

Estimated Effects

This rescission will reduce 1975 budget authority by $.5 million and result in outlay reductions of $.4 million in 1975 and $.1 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$592.0
Without rescission (current estimate)	659.5
With rescission (revised estimate)	659.1
(Effect of action on 1976 outlays	-.1)

DEPARTMENT OF DEFENSE - MILITARY

Operation and Maintenance

Operation and Maintenance, Air National Guard

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $500,000, to be derived from the sum provided for maintenance of real property facilities.

Rescission Proposal No.: R75-27

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 242,800,000
Bureau	Other budgetary resources	984,900,000
Appropriation Title & Symbol Aircraft Procurement, Army 1975/1977 212031	Total Budgetary Resources	1,227,700,000
	Amount proposed for rescission	13,500,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This rescission of multi-year funds results from the decision not to procure any UH-1H aircraft in 1975. These items are considered marginal in light of the present and projected aircraft inventory.

Estimated Effects

This rescission will reduce 1975 budget authority by $13.5 million and result in outlay reductions of $1.9 million in 1975 and $6.7 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$119.0
Without rescission (current estimate)	77.1
With rescission (revised estimate)	75.2
(Effect of action on 1976 outlays	-6.7)

DEPARTMENT OF DEFENSE - MILITARY

Procurement

Aircraft Procurement, Army

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $13,500,000.

Rescission Proposal No.: R75-28

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. 93-437)	$ 3,062,800,000
Bureau	Other budgetary resources	718,600,000
Appropriation Title & Symbol Aircraft Procurement, Air Force 1975/1977 573010	Total Budgetary Resources	3,781,400,000
	Amount proposed for rescission	248,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This rescission of multi-year funds results from the decision not to procure 24 A-7D's and 12 F-111's in 1975. These items were not requested by the Air Force, nor included in the President's budget and are considered marginal in light of present and projected aircraft inventory.

Estimated Effects

This rescission will reduce 1975 budget authority by $248 million and result in outlay reductions of $33.6 million in 1975 and $143.6 million in 1976.

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$2,888.0
Without rescission (current estimate)	2,669.0
With rescission (revised estimate)	2,635.4
(Effect of action on 1976 outlays	-143.6)

DEPARTMENT OF DEFENSE - MILITARY

Procurement

Aircraft Procurement, Air Force

Appropriations provided under this head in the Department of Defense Appropriation Act, 1975, are rescinded in the amount of $248,000,000.

Rescission Proposal No.: R75-29

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Health, Education, and Welfare	**New budget authority** (P.L. _____)	$ --
Bureau Health Resources Administration	**Other budgetary resources**	372,465,933 (est.) 1/
Appropriation Title & Symbol Health Services Planning and Development	**Total Budgetary Resources**	372,465,933
753/50321 754/60321	**Amount proposed for rescission**	372,465,933

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays.

Elimination of these Hill-Burton expenditures would avoid needless stimulation of further hospital construction, at a time of a generally recognized national oversupply of hospital beds. The suboptimal occupancy rates associated in large part with that oversupply are a factor contributing to the growing cost of medical care generally, and of hospital costs in particular.

Estimated Effects:

This is a proposed rescission of unobligated balances of 1973 and 1974 appropriations for medical facilities construction allotted to States, but not approved or obligated for specific construction projects by the Department of Health, Education, and Welfare.

Approp/Symbol	Activity	Budget Authority
753/50321	Medical Facilities Construction	$187,832,353.18
754/60321	" " "	184,633,580.38
		$372,465,933.56

The withholding of these funds is expected to result in estimated 1975 outlay savings of $15 million, and 1976 outlay savings of $35-40 million, depending upon the rate at which the funds might otherwise be obligated. Based upon the spending history of the Hill-Burton program, $372 million in Federal matching grants could be expected to help fund construction projects totalling about $1.4 billion. This sum translates to the potential addition of approximately 28,000 new hospital beds. Although many of these new beds would be replacing obsolete ones, a significant percentage would represent an increment to the current national oversupply of hospital beds.

1/ This amount represents the unobligated balance brought forward on 7/1/74.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Resources Administration

Health Resources Planning and Development

The unobligated balance of funds appropriated for grants under part A of Title VI of the Public Health Service Act are rescinded.

Rescission Proposal No.: R75-30

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Justice	**New budget authority** (P.L. 93-433)	$ 433,100,000
Bureau Federal Bureau of Investigation	**Other budgetary resources**	4,485,000
Appropriation Title & Symbol Salaries and Expenses, Federal Bureau of Investigation (1550200)	**Total Budgetary Resources**	437,585,000
	Amount proposed for rescission	5,300,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds have been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The proposed rescission will be accomplished through a reduction in personnel costs by normal attrition, postponement of equipment procurement, reduction in headquarter's administrative overhead costs, reduction in the level of training provided to State and local law enforcement officers, and extension of the replacement schedule for new vehicles.

The overall level of the FBI's investigative program will be reduced slightly by this rescission, although the Bureau's highest priority investigative matters are not expected to be significantly affected.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal).....	$425.300
Without rescission (Current estimate).....	$424.889
With rescission (Revised estimate).....	$419.589
(Effect of action on 1976 Outlays	0)

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation

Salaries and Expenses

Appropriations provided under this head in the State, Justice, Commerce, Judiciary and Related Agencies Appropriation Act, 1975, are rescinded in the amount of $5,300,000.

Rescission Proposal No.: R75-31

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Justice	**New budget authority** (P.L. 93-433)	$ 175,850,000
Bureau Immigration and Naturalization Service	**Other budgetary resources**	7,850,000
Appropriation Title & Symbol Salaries and Expenses Immigration and Naturalization Service 1551217	**Total Budgetary Resources**	183,700,000
	Amount proposed for rescission	1,300,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds have been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The proposed action reduces funds available for detention and deportation of aliens unlawfully residing in the U.S. from $19.1 million to $17.8 million. Even though the program level previously planned for 1975 will be reduced by this rescission, remaining funds still permit an expanded program over previous years.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal).....	$178.200
Without rescission (Current estimate).....	$171.103
With rescission (Revised estimate).....	$169.803
(Effect of action on 1976 Outlays	0)

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

Salaries and Expenses

Appropriations provided under this head in the State, Justice, Commerce, Judiciary and Related Agencies Appropriation Act, 1975, are rescinded in the amount of $1,300,000.

Rescission Proposal No: R75-32

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Justice	New budget authority (P.L. 93-433)	$169,000,000
Bureau Bureau of Prisons	Other budgetary resources	$ 2,920,000
Appropriation Title and Symbol Salaries and Expenses 1551060	Total Budgetary resources	$171,920,000
	Amount proposed for rescission	$ 5,250,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated. The items to which this proposed action would be applicable are:

$4,650,000 - Delays in activation of new facilities.
The savings are available during FY 1975 because of late activation of the Butner FCCR, the Miami Youth Center, and the Chicago MCC due to delays in construction.

$300,000 - Drug Abuse Community Treatment (Aftercare)
The Bureau of Prisons will reduce the number of participants in aftercare programs and/or reduce the level of services currently being provided. The average number of clients to be served will be slightly less than the 2,600 participants in the program at the end of FY 1974.

$300,000 - Per Capita Care population increase.
Current population is running somewhat below the 23,500 average funded in FY 1974. If this trend continues, we will not achieve the population projection for FY 1975 of 24,000.

The budget activities affected by the proposed action are:

Budget Activity	Amount
Care	$3,007,000
Education	375,000
Maintenance and Operations	1,017,000
Medical	551,000
Drug Abuse	300,000
Total	$5,250,000

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	$168.900
Without rescission (Current estimate)	$166.291
With rescission (Revised estimate)	$161.041
(Effect of action on 1976 Outlays	0)

The proposed actions will have minimal impact on programs during FY 75. The delay in activation of new facilities will not affect current-year programs; however, funds being rescinded will have to be recovered during FY 76 if these new facilities are to be activated on schedule. In the Drug Aftercare Program, it will be necessary to hold the program participation at or near the FY 74 year-end level and possibly reduce slightly the level of services to be provided by the Bureau of Prisons.

DEPARTMENT OF JUSTICE

Federal Prison System

Bureau of Prisons

Salaries and Expenses

Appropriations provided under this head in the State, Justice, Commerce, Judiciary and Related Agencies Appropriation Act, 1975, are rescinded in the amount of $5,250,000.

Recission Proposal No: R75-33

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Justice	New budget authority (P.L. 93-433)	$27,690,000
Bureau Bureau of Prisons	Other budgetary resources	$52,015,735
Appropriation Title & Symbol Buildings and Facilities 15X1003	Total budgetary resources	$79,705,735
	Amount proposed for rescission	$ 1,750,000

Justification

This withholding of funds is one of several actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated. This proposed action would be applicable to Site and Planning activities. There would be a reduction of $1,050,000 from the $2,550,000 currently available for the Northeast Adult Facility and a reduction of $700,000 from the $2,700,000 available for the Northeast Youth Complex. Efforts will be intensified to acquire sites at no cost to the Government and, if necessary, initial site development will be delayed until the total construction funds are appropriated.

The funds proposed for rescission have been made available without regard to fiscal year limitation.

Estimated Effects

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal).....	$24.300
Without Rescission (Current estimate).....	$30.637
With Rescission (Revised estimate).....	$28.887
(Effect of action on 1976 Outlays	0)

The Bureau has been relatively successful in acquiring "free" property to construct new institutions. Every effort will contine to acquire surplus federal or state property for future construction. It may also be necessary to delay some initial site development until such time as the total construction funds are made available.

DEPARTMENT OF JUSTICE

Federal Prison System

Bureau of Prisons

Buildings and Facilities

Appropriations provided under this head in the State, Justice, Commerce, Judiciary and Related Agencies Appropriation Act, 1975, are rescinded in the amount of $1,750,000.

Rescission Proposal No.: ___

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of Justice	New budget authority (P.L. 93-433)	$ 135,000,000
Bureau Drug Enforcement Administration	Other budgetary resources	6,562,000
Appropriation Title & Symbol Salaries and Expenses 1551100	Total Budgetary Resources	141,562,000
	Amount proposed for rescission	2,400,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This reduction will delay the development of certain communications and detection equipment projects to be used in the drug enforcement program. It is not anticipated that these delays will significantly affect the current enforcement operations of DEA.

The funds proposed for rescission have been made available without regard to fiscal year limitation.

Estimated Effects

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal).....	$135.875
Without rescission (Current estimate).....	$135.978
With rescission (Revised estimate).....	$133.578
(Effect of action on 1976 Outlays	0)

The reduction in the research program will have the effect of extending the period from formulation to final prototype of several of the enginering projects, causing some delay in the provision of these tools to the enforcement community. When the full effect of the reduction can be determined, revised research program requirements will be presented in the normal budget cycle.

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Salaries and Expenses

Appropriations provided under this head in the State, Justice, Commerce, Judiciary and Related Agencies Appropriation Act, 1975, are rescinded in the amount of $2,400,000.

Rescission Proposal No.: R75-35

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of State	New budget authority (P.L. 93-433)	$ 205,903,000
Bureau	Other budgetary resources	None
Appropriation Title & Symbol Contributions to International Organizations 1951126	Total Budgetary Resources	205,903,000
	Amount proposed for rescission	2,000,000

Justification:

The Department of State Appropriation Act, 1975 (Title I, Public Law 93-433, approved October 5, 1974) provides budget authority of $205,903,000 only for fiscal year 1975 "for expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, convention, or specific Acts of Congress." From funds appropriated in that account the State Department pays the United States' assessed shares of the budgets of some 38 international organizations in which the U.S. has membership, including the United Nations and its specialized agencies, the Inter-American organizations, and other regional and technical bodies.

Each year, the amount estimated for this account in the President's February Budget and the amount appropriated by the Congress are based on actual, approved budgets of most of the various organizations. However, in a few cases the budgets have not received final approval by the organizations' legislative bodies in time, so the President and the Congress must act on estimates of their probable action. Also, the exchange rates at which U.S. contributions are actually paid to a few organizations sometimes differ from the rates used in calculating the budget estimates.

This year, these two factors have caused some U.S. assessments to be less than estimated; the principal ones are:

	Reduction in U.S. assessment
Organization for Economic Cooperation and Development	$978,000
United Nations Educational, Scientific and Cultural Organization	913,000
Organization of American States	505,000

Other assessments are greater than estimated; the principal ones are:

	Increase in U.S. assessment
International Telecommunications Union	$265,000
Inter-American Institute of Agricultural Sciences	202,000

These changes in assessments have resulted in net U.S. contributions of $2,000,000 less than the amount appropriated. Accordingly, $2,000,000 is proposed for rescission, pursuant to the Antideficiency Act (31 U.S.C. 665) which authorizes the establishment of reserves for savings.

Estimated Effects:

This rescission reflects an outlay reduction of $2,000,000 in 1975 which, however, will have no programmatic effect.

Total 1975 Outlays	dollars in millions
1975 Budget (February transmittal)...	214
Without savings (current estimate)...	206
With savings (revised estimate).....	204
(Effect of action on 1976 outlays....	---)

DEPARTMENT OF STATE

International Organizations and Conferences

Contributions to International Organizations

Appropriations provided under this head in the Department of State Appropriations Act, 1975, are rescinded in the amount of $2,000,000.

Rescission Proposal No.: R75-36

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Department of State	New budget authority (P.L. 93-433)	$ 2,000,000
Bureau	Other budgetary resources	None
Appropriation Title & Symbol International Trade Negotiations 1951147	Total Budgetary Resources	2,000,000
	Amount proposed for rescission	100,000

Justification:

The Department of State Appropriation Act, 1975 (Title I, Public Law 93-433, approved October 5, 1974) provides budget authority of $2,000,000 for fiscal year 1975 "for necessary expenses of participation by the United States in international trade negotiations," etc. These funds are available only in fiscal year 1975. From funds appropriated in that account the State Department pays for the 1975 costs of the U.S. delegation and certain support staff in Washington for U.S. participation in the multilateral trade negotiations that began in late 1973 at Geneva under the sponsorship of the contracting parties of the General Agreement on Tariffs and Trade (GATT).

Progress of the negotiations has been slow, due, in part, to the delay in the enactment of negotiating authority for the President of the United States, which would be available pursuant to the Trade Reform Bill (H.R. 10710, 93rd Congress) now pending in the Congress. That Bill passed the House of Representatives on December 11, 1973, but has not yet been brought to the floor of the Senate. The estimate of $2,465,000 in budget authority for international trade negotiations for fiscal year 1975 in the President's February Budget was based on enactment of the Trade Reform Bill earlier in this session of the Congress and faster progress in the negotiations. Since full buildup of the planned U.S. negotiating delegation and support staff has now been even further delayed, $100,000 of the $2,000,000 appropriation will not be required during fiscal year 1975. Accordingly, $100,000 is proposed for rescission, pursuant to the Antideficiency Act (31 U.S.C. 665) which authorizes the establishment of reserves for savings.

Estimated Effects:

This rescission reflects an outlay reduction of $100,000 in 1975 which, however, will have no programmatic effect.

Total 1975 Outlays	dollars in millions
1975 Budget (February transmitted)....	1.9
Without savings (current estimate)....	1.8
With savings (revised estimate).....	1.7
(Effect of action on 1976 outlays.....	---)

DEPARTMENT OF STATE

International Organizations and Conferences

International Trade Negotiations

Appropriations provided under this head in the Department of State Appropriation Act, 1975, are rescinded in the amount of $100,000.

Rescission Proposal No.: R75-37

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency The Department of the Treasury	New budget authority (P.L. 93-381)	$ 25,955,000
Bureau Office of the Secretary	Other budgetary resources	1,500,000
Appropriation Title & Symbol Salaries and expenses Office of the Secretary of the Treasury 2050101	Total Budgetary Resources	27,455,000
	Amount proposed for rescission	$ 310,000

Justification:

This appropriation provides the staff assistance to the Secretary in the discharge of his responsibilities. Included are the immediate assistants to the Secretary, their staffs, the Office of Revenue Sharing, general administrative support services and the maintenance, repair and improvement of the Treasury Building and Annex.

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects:

The reduction would be achieved by delaying the lease of automated data processing and communication switching equipment and the curtailment of official travel.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal and May budget amendment)	$26.7
Without rescission (current estimate)	25.5
With rescission	25.2
(Effect of action on 1976 outlays	-0-)

DEPARTMENT OF THE TREASURY

Office of the Secretary

Salaries and Expenses

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $310,000.

Rescission Proposal No.: R75-38

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency The Department of the Treasury	New budget authority (P.L. 93-381)	$ 3,100,000
Bureau Federal Law Enforcement Training Center	Other budgetary resources	-
Appropriation Title & Symbol	Total Budgetary Resources	3,100,000
Salaries and Expenses 2050104	Amount proposed for rescission	$60,000

Justification:

The consolidated Federal Law Enforcement Training Center provides the necessary facilities and equipment for conducting recruit, advanced, specialized, and refresher training for law enforcement personnel of the participating agencies, plus instructors who teach the basic and some advanced courses in the various curricula. This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects:

The reduction would be achieved by eliminating the contracting of selected educational services and deferring the purchase of certain equipment and inventory supplies maintained by the Center for classroom instruction.

Rescission of the amount shown above will not demonstrably interfere with the Bureau's ability to train law enforcement personnel sent by participating agencies.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$3.2
Without rescission (current estimate)	3.0
With rescission (revised estimate)	2.9
(Effect of action on 1976 Outlays	-0-)

DEPARTMENT OF THE TREASURY

Federal Law Enforcement Training Center

Salaries and Expenses

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $60,000.

Rescission Proposal No.: R75-39

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency The Department of the Treasury	New budget authority (P.L. 93-381)	$ 113,278,000
Bureau Accounts	Other budgetary resources	3,332,000
Appropriation Title & Symbol Salaries and expenses, Bureau of Accounts* 2051801	Total Budgetary Resources	116,610,000
	Amount proposed for rescission	$630,000

Justification:

This appropriation enables the Bureau to provide disbursing services for nearly all civilian executive Government agencies, process check claims, provide Government-wide central accounting services and perform other central fiscal operations. This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects:

The rescission would be achieved by eliminating various phases of employee training and related travel, and by reducing the inventory of check envelopes to less than a two month supply. The proposed reduction involving employee training would have no immediate effects on the Bureau's programs nor would the reduction in check envelope inventory unless unusual procurement or transportation problems arise.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal and May budget amendment)	$100.5
Without rescission (current estimate including transfer from Office of the Treasurer)	112.0
With rescission (revised estimate)	111.4
(Effect of action on 1976 outlays	-0-)

*The Bureau of Accounts was merged into the new Bureau of Government Financial Operations on February 1, 1974, as the result of Treasury Department Order 229.

DEPARTMENT OF THE TREASURY

Bureau of Accounts

Salaries and Expenses

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $630,000.

Rescission Proposal No.: R75-40

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency The Department of the Treasury	New budget authority (P.L. 93-381)	$ 284,800,000
Bureau U. S. Customs Service	Other budgetary resources	+44,465,000
Appropriation Title & Symbol Salaries and Expenses 2050602	Total Budgetary Resources	329,265,000
	Amount proposed for rescission	$3,000,000

Justification:

The United States Customs Service, as an enforcement arm of the Department of the Treasury, has been vested with authority to collect and protect the revenue on imports and enforce Customs and related laws. The fundamental authority for the activities of Customs is contained in the provisions of the Tariff Act of 1930, as amended (19 U.S.C. 1202 et. seq.). In addition, the U. S. Customs Service administers and enforces or assists other Federal agencies in the administration and enforcement of numerous other laws. This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this witholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effect:

The reduction would be achieved through a general cutback in Customs programs or a delay in implementing new or expanded 1975 programs. This approach would effect immediate and actual savings this year towards the overall reduction of Federal expenditures and aid in lowering the spiralling inflation of our economy. This approach would have the least adverse effect on the long range Customs programs in that programs are delayed but not eliminated. The rescission of $3,000,000 in new obligating authority delays planned replacement of equipment due to age and/or condition until the following fiscal year. Planned implementation dates for expansion of the Treasury Enforcement Communications System and the Automated Merchandise Processing System will slip further into the fiscal year. Planned co-location or expansion of existing space will be delayed until Fiscal Year 1976. Implementation of program increases approved for Fiscal Year 1975 will be forced further into the fiscal year. Training of some employees will be delayed until the following fiscal year.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal and May budget amendment)	$287.9
Without rescission (current estimate)	300.6
With rescission (revised estimate)	297.6
(Effect of action on 1976 Outlays	-0-)

DEPARTMENT OF THE TREASURY

U. S. Customs Service

Salaries and Expenses

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $3,000,000.

Rescission Proposal No.: R75-41

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency The Department of the Treasury	New budget authority (P.L. 93-381)	$ 41,000,000
Bureau Internal Revenue Service	Other budgetary resources	2,185,000
Appropriation Title & Symbol Salaries and Expenses 2050911	Total Budgetary Resources	43,185,000
	Amount proposed for rescission	$530,000

Justification:

This appropriation provides for the overall direction of the Internal Revenue Service, for program planning and determining resource needs, for managing its administrative support, and for the maintenance of employee integrity and internal controls. This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects:

The reduction would be achieved by deferring training, delaying staff expansion, purchase of equipment, space programs, and operational travel. These rescissions will not affect adversely the IRS program.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$42.0
Without rescission (current estimate)	42.0
With rescission (revised estimate)	41.5
(Effect of action on 1976 outlays	-0-)

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Salaries and Expenses

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $530,0(

Rescission Proposal No.: R75-42

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency		
The Department of the Treasury	New budget authority (P.L. 93-381)	$ 712,600,000
Bureau		
Internal Revenue Service	Other budgetary resources	4,082,000
Appropriation Title & Symbol		
Accounts, Collection and Taxpayer Service	Total Budgetary Resources	716,682,000
2050912	Amount proposed for rescission	$ 9,230,000

Justification:

This appropriation provides for the mailing of tax return forms and instructions, receiving and processing tax returns, scheduling refunds, issuing notices, accounting for revenues, collecting unpaid taxes, securing unfiled returns, assisting taxpayers in filing timely and accurate returns, providing post-filing account information, and preparing statistical information on income. This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects:

The reduction would be achieved by deferring training, acquisition of equipment, site preparation and related space alterations, supplies and materials, and travel, reducing evening and Saturday taxpayer service during the filing period, delaying the Tax Administration system redesign effort, and eliminating county data transcription for revenue-sharing statistical purposes. This rescission will have a neglible effect upon revenues collected by the Internal Revenue Service.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal and May budget amendment)	$724.4
Without rescission (current estimate)	721.7
With rescission (revised estimate)	712.5
(Effect of action on 1976 outlays	-0-)

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Accounts, Collection and Taxpayer Service

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $9,230,000.

Rescission Proposal No.: R75-43 ___

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency The Department of the Treasury	New budget authority (P.L. 93-381)	$ 791,000,000
Bureau Internal Revenue Service	Other budgetary resources	+1,436,000
Appropriation Title & Symbol Compliance 2050913	Total Budgetary Resources	792,436,000
	Amount proposed for rescission	$ 10,240,000

Justification:

This appropriation provides for determining and establishing tax liabilities, for assuring compliance with the tax laws, for investigation and enforcement activities, for carrying out special law enforcement programs assigned to the Revenue Service. It also provides for rulings and advice necessary for a correct and uniform interpretation and application of the Code, for issuing rulings to taxpayers, and for publishing precedent rulings. Further, it provides for representation in Tax Court cases, for furnishing legal advice and assistance in other civil and criminal litigation, and for providing consultative legal services in matters ranging from labor relations to interpreting the complex provisions of the Internal Revenue Code. This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The funds proposed for rescission are available only in fiscal year 1975.

Estimated Effects:

The reduction would be achieved by imposing hiring restrictions, deferring regular travel, training, space programs, and purchase of equipment. This rescission will have a negligible effect upon revenues collected by the Internal Revenue Service.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal and May budget amendment)	$801.2
Without rescission (current estimate)	797.5
With rescission (revised estimate)	787.3
(Effect of action on 1976 outlays	-0-)

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Compliance

Appropriations provided under this head in the Treasury, Postal Service, and General Government Appropriation Act, 1975, are rescinded in the amount of $10,240,000.

Rescission Proposal No.: R75-44

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency General Services Administration	New budget authority (P.L. _____)	$ _____
Bureau Public Buildings Service	Other budgetary resources	_____
Appropriation Title & Symbol Federal Buildings Fund Limitations on Availability of Revenue 47 X 4542	Total Budgetary Resources	1,008,870,700*
	Amount proposed for rescission	20,022,900

Justification:

This proposed rescission is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated. The Federal Buildings Fund is used to finance space and services provided Federal agencies by the General Services Administration. The income for the fund is derived from Standard Level User Charges, the availability of which is subject to limitations enacted by the Congress. For 1975, the Congress limited reserve availability to $1,008,870,700 of which $98,000,000 is available for alterations and major repairs of public buildings. This proposal will reduce the 1975 obligational authority for repairs and alterations to $77,977,100 and will require the cancellation of low priority work which has not yet been started.

Estimated Effects:

The effect of the reduction in obligational authority will be to reduce outlays by $10,000,000 in 1975 and $10,022,900 in 1976. The net effect of the rescission on Federal Buildings Fund outlays is as follows:

Total 1975 Outlays	Dollars in millions
1975 Budget (February transmittal)	-119
Without rescission (current estimate)	-44
With rescission (revised estimate)	-54
(Effect of action on 1976 outlays	-10)

This reduction would impact on about 1,200 man-years of employment in the private sector. The termination of scheduled repair and alteration work will not adversely affect the ability of Federal agencies to carry out essential Government services. The following repair and alteration projects would be canceled in 1975:

*Excludes increase of $30,000,000 which would be available upon enactment of pending supplemental request.

Project	Estimated Obligations
Boston, MA, McCormack PO CT	$ 239,000
Brooklyn, NY., FB (225 Cadman)	447,600
New York City, NY., Foley Square	3,952,500
Washington, D.C., Agriculture South	1,200,000
Washington, D.C., Commerce	407,000
Washington, D.C., FB #1	3,813,100
Washington, D.C., Post Office (new)	1,200,000
Washington, D.C., Post Office (old)	495,000
Washington, D.C., State	529,900
Philadelphia, PA., 5000 Wissahickon	438,000
Arlington, VA., Pentagon	935,800
Wheeling, WV., PO CT	485,000
Jacksonville, FL., PO CT	674,000
Nashville, TN., US CH	746,000
Kansas City, MO., FB 1500 E. Bannister	963,400
Denver, CO., FC	1,819,900
Cheyenne, WY., FOB	490,500
Tucson, AZ., PO CT	274,600
Los Angeles, CA., CT	813,600
Portland, OR., Pioneer CT	98,000
Total	$20,022,900

GENERAL SERVICES ADMINISTRATION

Real Property Activities

Federal Buildings Fund

Limitation on Availability of Revenue

The amount made available under this head in the Treasury, Postal Service, and General Government Appropriations Act, 1975, is hereby reduced in the amount of $20,022,900, which reduction shall apply specifically to the limitation on alterations and major repairs.

Rescission Proposal No.: R75-45

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Special Action Office for Drug Abuse Prevention	New budget authority (P.L. 93-381)	$ 4,000,000
Bureau	Other budgetary resources	--
Appropriation Title & Symbol Pharmacological Research, Special Action Office for Drug Abuse Prevention 1152455	Total Budgetary Resources	4,000,000
	Amount proposed for rescission	2,760,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

The funds provided in this annual account support pharmacological studies connected with the development and testing of long-acting methadone, narcotic antagonists, and other related special studies.

The funds proposed for rescission are for the development of a more effective narcotic antagonist to block the effects of opiate addiction in humans. This effort will be funded out of the "Special Fund" account of this agency because by so doing the effort will not be tied specifically to the figures of $2,760,000. The Special Action Office indicates that it is at least several months away from funding the actual grant. Until the point is reached at which the grant is ready for award, the precise sum needed cannot be determined. By rescinding the funds in this account and funding this pharmacological research from the "Special Fund", where other project funds are located, optimum flexibility can be retained for funding the narcotic antagonist research program. In addition, similar research activities are already being undertaken within the Department of Health, Education, and Welfare.

Estimated Effects:

No effect because this research activity will still be undertaken. Some lower priority drug abuse related research activities in HEW may be delayed if additional funds are necessary to complete this study.

Total 1975 Outlays	($ in thousands)
1975 Budget (February transmittal)....	11,840
Without rescission (revised estimate).	18,826
With rescission (revised estimate)....	17,826
(Effect of action on 1976 outlays	-1,760)

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

Pharmacological Research

Appropriations provided under this head in the Executive Office Appropriation Act, 1975, are rescinded in the amount of $2,760,000.

Rescission Proposal No.: R75-46

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Sec. 1012 of P.L. 93-344

Agency Special Action Office for Drug Abuse Prevention	New budget authority (P.L. 93-381)	$ 11,000,000
Bureau	Other budgetary resources	--
Appropriation Title & Symbol	Total Budgetary Resources	11,000,000
Special Fund, Special Action Office for Drug Abuse Prevention 1153455	Amount proposed for rescission	2,240,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

For the most part this annual account provides funds through interagency transfers that support innovative management improvement, outreach, treatment, rehabilitation, and education approaches in drug abuse prevention activities.

The funds proposed for rescission are for lower priority efforts. Similar activities are already being undertaken by other Federal agencies.

The legislative authority for the Special Action Office for Drug Abuse Prevention expires on June 30, 1975. Many of the activities supported through funds provided in this account have already been transferred to other agencies and are being funded in those agencies.

Estimated Effects:

About 13 of the 43 planned projects would not be undertaken and about 24 of the remaining 30 projects would be reduced in scope. No important objectives would, however, be adversely affected by the rescission. Most of the projects involved can be effectively carried out at a reduced level of funding. Only those projects considered most marginal to the total Federal drug abuse prevention effort would be completely eliminated.

Total 1975 Outlays	($ in thousands)
1975 Budget (February transmittal)	21,250
Without rescission (current estimate)..	23,420
With rescission (revised estimate)	22,300
(Effect of action in 1976 outlays	1,120)

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

Special Fund

Appropriations provided under this head in the Executive Office Appropriation Act, 1975, are rescinded in the amount of $2,240,000.

7. Deferrals

Reports are included in this part for 41 deferrals of obligations and expenditures totalling $393 million in obligations and $10 million in deferrals of expenditures only. These reports are transmitted under the provisions of Title X of the Impoundment Control Act of 1974 (P.L. 93-344). Congressional approval of the actions contemplated would reduce Federal spending in 1975 by $317 million. An agency summary of the outlay reductions that would be effected follows:

EFFECT OF DEFERRAL ACTIONS
ON OUTLAYS

(Outlay reductions in millions of dollars)

	1975	1976
Agriculture	-2	-2
Commerce	-19	-6
DOD-Civil, Corps of Engineers	-42 1/	--
Health, Education, and Welfare	-1	-1
Housing and Urban Development	-18	-40
Interior	-45 1/	+30*
Atomic Energy Commission	-80	+52*
NASA	-70	--
National Science Foundation	-10	--
National Foundation on the Arts and Humanities	-8	--
Small Business Administration	-22	-14
Total	-317	+18*

The outlay reductions for each item are identified in the reports in this part. As noted in the individual reports, the withholding associated with the deferrals in this part will generally be delayed until December 16, 1974.

In addition to the deferrals reported herein, other deferral actions have already been taken. They were reported in special messages of September 20, and October 4 and 31, and November 13

1/ Includes outlay reduction as a result of deferrals reported in the President's Special Message of October 31.

* Outlay increase.

(the November 13 message amended some earlier deferral reports). These deferrals of obligational authority include the following major items:

	Obligational authority in millions of dollars
Environmental Protection Agency:	
Construction grants	9,000
Transportation: Federal-aid highways	
1975 and prior programs	4,370
1976 programs	6,358
Agriculture: Forest Service,	
Forest roads and trails	420
Interior road construction programs	452
Housing and Urban Development:	
Grants for basic water and sewer facilities	402
Homeownership assistance	264
Public Facility loans	184

The effect of the deferrals previously reported is to reduce Federal spending by more than $0.4 billion in 1975 and more than $2.0 billion in 1976.

SUMMARY OF PROPOSED DEFERRALS
(Dollars in thousands)

Deferral #	Item	Budget Authority
	Deferrals:	
	Agriculture:	
	Forest Service:	
D75-90	Construction and Land Acquisition.....	6,865
	Commerce:	
	Social and Economic Statistics Administration:	
D75-91	Periodic Censuses and Programs.....	327
	Domestic and International Business Administration:	
D75-92	Operations and Administration.....	750
	United States Travel Service:	
D75-93	Inter-American Cultural and Trade Center.....	1,420
	National Oceanic and Atmospheric Administration:	
D75-94	Operations, Research and Facilities....	6,800
D75-95	Coastal Zone Management.....	1,000
	National Fire Prevention and Control Administration:	
D75-96	Operations, Research, and Administration.....	500
	National Bureau of Standards, Office of Telecommunications:	
D75-97	Scientific and Technical Research and Services.....	3,718
	Maritime Administration:	
D75-98	Ship Construction.....	5,750
D75-99	Research and Development.....	3,468
D75-100	Operations and Training.....	1,300
	Health, Education, and Welfare	
	Health Resources Administration:	
D75-101	Health Resources (Health Manpower).....	3,550
D75-102	Health Resources (Program Management).....	1,400
	Office of Education:	
	Elementary and Secondary Education:	
D75-103	Supplementary Services.....	9,278
D75-104	Equipment and Minor Remodeling.....	6,562
D75-105	Nutrition and Health.....	1,900
	Office of the Secretary:	
D75-106	Departmental Management.....	1,902

Deferral #	Item	Budget Authority
	Deferrals (cont):	
	Housing and Urban Development:	
	Community Planning and Development:	
D75-107	Comprehensive Planning Grants.....	50,000
	Policy Development and Research:	
D75-108	Research and Technology.....	8,000
	Interior:	
	Bureau of Outdoor Recreation:	
D75-109	Land and Water Conservation.....	20,000
	Atomic Energy Commission:	(10,000) 1/
	Operating Expenses:	
D75-110	Weapons Program.....	4,000
D75-111	Civilian Reactor Research and Development.....	8,000
D75-112	Civilian Reactor Research and Development.....	6,700
D75-113	Physical Research.....	2,700
D75-114	Controlled Thermonuclear Research.....	8,000
D75-115	Biomedical and Environmental Research and Safety.....	4,000
	Operating Expenses/Plant and Capital Equipment:	
D75-116	Weapons Program.....	4,700
	Plant and Capital Equipment:	
D75-117	Nuclear Materials.....	12,000
D75-118	Nuclear Materials.....	12,000
D75-119	Civilian Reactor Research and Development.....	10,000
D75-120	Civilian Reactor Research and Development.....	1,500
D75-121	Civilian Reactor Research and Development.....	12,100
D75-122	Civilian Reactor Research and Development and Controlled Thermonuclear Research.....	13,000
D75-123	Other Capital Equipment.....	13,900
	National Aeronautics and Space Administration:	
	Research and Development:	
D75-124	Manned Space Flight.....	20,000
D75-125	Space Science and Applications.....	16,000
D75-126	Aeronautical Research and Space Supporting Activities.....	36,000

1/ Deferral of outlays only.

Deferral #	Item	Budget Authority
	Deferrals (cont):	
	Other Independent Agencies:	
	National Foundation on the Arts and Humanities:	
D75-127	Salaries and Expenses.....	18,000
	National Science Foundation:	
D75-128	Salaries and Expenses.....	15,000
D75-129	Salaries and Expenses (Special Energy R&D Appropriation Act, 1975)...	5,000
	Small Business Administration:	
D75-130	Business Loan & Investment Fund.....	36,000
Total Deferrals.....		393,090

Deferral No.: D75-90

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

Agency Department of Agriculture	New budget authority (P.L. _____)	$ 30,908,000
Bureau Forest Service	Other budgetary resources	13,017,154
Appropriation Title & Symbol Construction and Land Acquisition, Forest Service 12X1103	Total Budgetary Resources	43,925,154
	Amount to be deferred part of year	--
	Amount to be deferred for entire year	6,865,000

Justification:

Deferral of $6,865,000 for construction of recreation and research facilities is one of several special actions proposed by the President to restrain 1975 budget outlays. The timing of construction of the facilities proposed for deferral is not critical to the specific local areas or to the Nation as a whole. These funds are available until expended with construction expected to be undertaken in FY 1976.

Estimated Effects:

Deferral of these funds, which remain available until expended, will postpone construction and use of the projects involved for one year. Employment would be reduced in fiscal year 1975 by about 15 direct Federal and 100 non-Federal man-years. Deferral would reduce outlays by $2,400,000 in fiscal year 1975 and $2,100,000 in fiscal year 1976 if funds are obligated in fiscal year 1976.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	33.9
Without deferral (current estimate)	36.2
With deferral (revised estimate)	33.8
(Effect of action on 1976 outlays	-2.1)

Recreation-Public Use

Council Bluffs Projects, Clark NF, Missouri.....$500,000

Work includes completions of culvert through dam, stilling basin, construction of the remaining portion of the dam and spillway, including excavation of the remaining portions of the spillway, concrete spillway crest sections, additional cleaning, seeding and mulching, cleaning Moll Creek, relocation of utilities, construction of earth fill for dam, and installing riprap on the dam surface.

2

Mueller Park Recreation Area, Wasatch NF Utah $100,000

Work at the site would include: (1) improving the water and sanitation, (2) riprapping of streambanks, (3) providing new tables and grills, (4) paving under new tables and path systems, (5) planting of trees and shrubs, (6) installing more effective signing, and (7) providing trailhead facilities for the North Canyon Mueller Park Trail.

Robert S. Kerr Memorial Arboretum and Nature Center, Ouachita NF, Oklahoma.. $450,000

Construction of basic facilities including plaza, orientation building, and restrooms is planned. On-site utilities of electricity, sewage disposal, and water would also be developed. Construction of nature trails and paving access roads and parking area would be done.

Blanchard Springs Caverns, Ozark-St. Francis NF, Arkansas $900,000

Would construct a second cave tour and expand the sewage treatment facilities.

Jackson Flats Campground, Angeles NF, California $300,000

Construction of a 100,000-gallon water storage tank and water line, four recirculating oil vault toilets, and five group camping areas.

Kyle and Lee Canyons Sewer Systems, Las Vegas Ranger District, Toiyable NF. Nevada $60,000

Work would consist of a feasibility study to determine the most desirable sewer system to be designed and installed. Subsequent phases will include the planning, contracting, and construction of a sewer system or systems that will serve all recreation developments within the two Canyons.

Lamoille Canyon-Ruby Mountain Recreation Area, Humboldt NF, Nevada $365,000

Improvement work is planned for a 3-year period to allow the public to use portions of the Canyon. Initial work will be restoration and expansion of Thomas Canyon campground, installation of information signs and traffic control barriers at roadside vistas, construction of public comfort stations, installation of sanitation, parking and traffic control facilities, and landscaping roadend-trailhead.

Eagle Lake Dam, Monongahela National Forest, West Virginia $815,000

Funds for this project were appropriated in fiscal year 1974. Feasibility studies were in process but no environmental studies had been made as required by the National Environmental Policy Act.

Feasibility studies have since been completed and we are in the process of reviewing environmental impacts. A draft environmental statement has been completed and it was circulated for agency and public comment. These comments are being analyzed and a final statement will be issued toward the end of fiscal year 1975.

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At this point the environmental feasibility of the reservoir is still unresolved pending issuance of a final environmental statement. The decision on whether to proceed with construction will be made concurrent with issuance of the environmental impact statement. Therefore, deferring construction funding at this time will have no affect on the project.

Research Construction

Forestry Sciences Laboratory, Auburn, Alabama $400,000

In fiscal year 1972, $110,000 in planning funds were appropriated to develop plans and specifications for the Forestry Sciences Laboratory proposed for construction on a 6-acre plot donated by Auburn University. These funds would be used to complete facilities in the main laboratory.

Forestry Sciences Laboratory, West Laboratory Wing, Corvallis, Oregon $2,800,000

In 1962 a Forestry Sciences Laboratory was completed on the campus of Oregon State University. In 1967 Congress appropriated funds to plan a major addition to the laboratory. These plans were completed in 1969. Congress appropriated $500,000 in 1970 and $500,000 again in fiscal year 1971, which permitted completion of wings containing service facilities, library and mechanical plant. In fiscal year 1974, $1,500,000 was appropriated to complete the East Research Wing. These funds would be used to complete the West Wing.

Forestry Sciences Laboratory, Fresno, California $175,000

The Forest Service research program at Fresno, California, is focused on integrated, multiple use management of the varied vegetation types of the Sierra Nevada, which encompass grassy foothills a few hundred feet above sea level to the 14,000-foot crest less than 50 miles away. These funds would be used for planning and design of a laboratory on land now being considered for lease by the California State University.

D75-91

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 22,250,000
Bureau Social and Economic Statistics Administration	Other budgetary resources	$ 4,021,000
Appropriation Title & Symbol Periodic Censuses and Programs 13X0450	Total budgetary resources	$ 26,271,000
	Amount to be deferred part of year	$ ...
	Amount to be deferred for entire year	$ 327,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This appropriation provides funds to conduct periodic censuses and surveys, pertaining to the major economic and demographic areas once or twice each decade. Funding also covers the maintenance of geographic support activities that relates to the various censuses and the acquisition of large scale data processing equipment. These funds are available without regard to fiscal year limitation.

The 1975 appropriation includes funds for rental of a central processor for the Bureau of the Census computer facility. Rental of this processor, originally scheduled to be operational by February 15, 1975, would be delayed for three months to May 15, as a result of this deferral action.

ESTIMATED EFFECTS:

Minor delays only are expected in computer processing during the three month deferral period. Other computer equipment, now installed, will continue to perform the required processing.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	23.0
Without deferral (current estimate).....	25.1
With deferral (revised estimate).....	24.7
(Effect of action on 1976 outlays.....	0)

Deferral No.: D75-92

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 58,750,000
Bureau Domestic and International Business Administration	Other budgetary resources	$ ...
Appropriation Title & Symbol Operations and Administration 13X1250	Total budgetary resource	$ 58,750,000
	Amount to be deferred part of year	$ ...
	Amount to be deferred for entire year	$ 750,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The "Operations and Administration" appropriation is the primary source of funding for the myriad of programs conducted by the Domestic and International Business Administration. The overall mission of the Domestic and International Business Administration is to assist in strengthening the economy of the United States through programs ranging from those developed to assist American business to improve its operations and competitiveness in American markets to those designed to encourage American business to engage in export trade.

Within the "Operations and Administration" appropriation, the deferral will delay the use of funds in three areas: travel costs ($200,000), contract costs for the competitive assessment program ($100,000), and export promotion/development activities ($450,000). **Funds provided for these programs are available without regard to fiscal year limitation.**

ESTIMATED EFFECTS:

The deferral of travel expenditures until FY 1976 reflects fewer foreign inspection trips of operations overseas, and revised scheduling of business seminars, conferences, and other DIBA initiated events where planning is still incomplete.

The deferral of contractual services in the competitive assessment program occurs in the major studies segment of the program. Since there was some several months of delay in the general implementation of the entire program while a restructuring of the program design was completed, the requirement for these longer-range studies can be deferred. Specifications for the major studies must await the completion of the initial basic data analysis.

The trade promotion/development expenses previously scheduled for the spring of FY 1975 are being delayed until early 1976. The associated delay in promotional events will be:

1. FY 1975 trade fairs will be reduced from 27 to 25 (no impact in East-West activities). The two fairs will take place in FY 1976.

2. FY 1975 trade missions will be reduced from 44 to 38 (2 related to East-West activities). The 6 missions will take place in FY 1976.

3. FY 1975 reduction in special techniques activities are in-store promotions plus 5 other events in the special activities area (one technical sales seminar is in the East-West activities).

Market research, trade analysis and other activities related to the development of future events are being correspondingly delayed.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal)	60.1
Without deferral (current estimate)	59.4
With deferral (revised estimate)	58.9
(Effect of action on 1976 outlays	-0.3)

Deferral No.: D75-93

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

Agency Department of Commerce	New budget authority (P.L.)	$ ...
Bureau United States Travel Service	Other budgetary resources	5,050,729
Appropriation Title & Symbol Inter-American Cultural and Trade Center 13X1804	Total Budgetary Resources	5,050,729
	Amount to be deferred part of year	...
	Amount to be deferred for entire year	1,419,729

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Funds were appropriated in 1966 for a Federal exhibit at the Inter-American Cultural and Trade Center (Interama) in Dade County, Florida. The funds are to be used for the design and operation of a Federal exhibit. The delay in the use of the funds has resulted from the difficulties experienced by Interama in obtaining financing. These funds are available without regard to fiscal year limitation.

It previously was planned to defer $1,419,729 for only part of fiscal year 1975, and defer the use of $3,471,000 for the entire year. This was reported in Deferral No. D75-28. In order to restrain 1975 outlays, it is now proposed to defer $4,890,729 for the entire year. This report serves to eliminate the part-year deferral of $1,419,729 as previously reported in Deferral No. D75-28. This change will be reflected in the appropriate cumulative report.

ESTIMATED EFFECTS:

This deferral will prevent further efforts in 1975 on design of a Federal exhibit. This deferral may have little or no delaying effect on the project because of continued difficulties by Interama in obtaining financing. If financing for the Center is obtained, there would not be a serious impact on the success of the project by deferring the use of these funds until 1976.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal).....	0.1
Without deferral (current estimate).....	1.4
With deferral (revised estimate).....	0.3
(Effect of action on 1976 outlays.....	-1.1)

D75-94

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$	440,930,000
Bureau National Oceanic and Atmospheric Administration	Other budgetary resources	$	4,175,851
Appropriation Title & Symbol Operations, Research and Facilities	Total Budgetary Resources	$	445,105,851
	Amount to be deferred part of year	$	
13X1450	Amount to be deferred for entire year	$	6,800,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The operations, research and facilities appropriation encompasses many of the Nation's major civil programs involving the oceans and the atmosphere. Included are mapping, charting, and surveying services; ocean fisheries and living marine resources programs; marine ecosystems analysis and ocean dumping programs; marine technology programs; the Sea Grant program; basic environmental services; environmental satellite services; public weather forecast and warning services; environmental data and information services; and administrative services for NOAA. It is proposed that a total of $6,800,000 of the appropriation be deferred for the entire year. Projects that would be deferred include a portion of State-Federal Fisheries Management grant funds; construction, maintenance, and operation of four salmon and steelhead rearing ponds in the Columbia River hatchery system; initiation of the Puget Sound MESA project; a portion of the FY 1975 Sea Grant increase; deployment of several data buoys; procurement of radar data processing units; a portion of university grants to study satellite remote sensing techniques; a portion of the acquisition of minicomputers and display systems to automate the field operations and services of the Weather service; and establishment of a National Severe Storms Forecast Center in Kansas City, Missouri. These funds have been made available without regard to fiscal year limitation.

ESTIMATED EFFECTS:

Of the $5.8 million available for State-Federal Fisheries Management grants, $600,000 is proposed for deferral. The deferral will have a minimum impact since adjustments will be made to the funds available to the participating states on a pro rata basis.

The deferral of $1.3 million for construction, maintenance and operation of the Columbia River hatchery system will result in the delay of completion of four additional salmon and steelhead rearing ponds in 1975. Twenty one fish hatcheries are presently operated at an annual cost of $5.1 million.

The deferral of $500,000 for a Puget Sound marine ecosystems analysis (MESA) project will delay initiation of the project.

The deferral of $1,034,000 in the FY 1975 Sea Grant program will result in a total of $21,200,000 remaining available for grants to universities, private institutions and industry exclusive of program management. The amount remaining available is $1.4 million more than in 1974.

The number of data buoys deployed as part of NOAA's marine observations program will be reduced in 1975 from 13 to 9 by the deferral of $927,000. $7.9 million will remain in the NOAA budget for the marine observations program in 1975.

The proposed deferral of $800,000 for procurement of radar data processing units for long-range weather radars will delay their installation by two years. In the interim, existing operations will be continued.

The $100,000 of contracts and grants to universities for work on development of satellite remote sensing techniques proposed for deferral will lengthen completion times of some projects in 1975. $300,000 remains budgeted in 1975 for these programs.

The deferral of $1,266,000 of the FY 1975 AFOS increase will extend the completion time of the project by one year. $2,180,000 will remain available to begin implementation of AFOS in 1975.

The deferral of $273,000 to establish the severe storm unit in Kansas City will result in some delay on research efforts to improve severe storm forecast techniques.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal).....	$415.1
Without deferral (current estimate).....	419.8
With deferral (revised estimate).....	413.0
(Effect of action on 1976 outlays.....	0)

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

D75-95

Agency Department of Commerce	New budget authority (P.L. 93-433)	$	12,000,000
Bureau National Oceanic and Atmospheric Administration	Other budgetary resources	$	3,251,443
Appropriation Title & Symbol	Total Budgetary Resources	$	15,251,443
Coastal Zone Management	Amount to be deferred part of year	$	
13X1451	Amount to be deferred for entire year	$	1,000,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated. The Coastal Zone Management Act of 1972 authorized estuarine sanctuary grants to enable states to acquire, develop and operate estuarine sanctuaries for the purpose of creating natural field laboratories to gather data and to study the effects of natural and human processes upon the controlled environments.

In FY 1974, $4 million was made available from the initial Coastal Zone Management appropriation of $12 million for estuarine sanctuaries. One grant of $825,000 was awarded to Oregon on June 30, 1974, to establish an estuarine sanctuary program. The remaining $3,175,000 is available until expended. It is proposed to defer $1 million of this remaining balance until FY 1976 which will leave $2,175,000 available for obligation in FY 1975.

Deferral No. D75-30 transmitted in the special message of October 4, 1974, reported that the $3,175,000 was being deferred for part of the year. This report serves to reduce Deferral No. D75-30 by $1,000,000. This transaction will be reflected in the appropriate cumulative report.

ESTIMATED EFFECTS:

No formal applications have been submitted for estuarine sanctuary grants thus far in FY 1975, and it is anticipated that $2,175,000 will provide adequate funding for those grants that are projected for the remainder of FY 1975. The deferral of $1 million of estuarine sanctuary grant funds beyond FY 1975 should not have an adverse program effect.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal).....	$15.5
Without deferral (current estimate).....	21.1
With deferral (revised estimate).....	20.1
(Effect of action on 1976 outlays.....	0)

D75-96

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$	6,000,000
Bureau National Fire Prevention and Control Administration	Other budgetary resources	$	
Appropriation Title & Symbol	Total Budgetary Resources	$	6,000,000
Operations, Research, and Administration	Amount to be deferred part of year	$	
13X50800	Amount to be deferred for entire year	$	500,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

Funds are appropriated in FY 1975 for the National Fire Prevention and Control Act of 1974, including $4.7 million for research and development. This deferral of $500,000 will limit the expansion of this new R&D program in 1975. Due to the delay in enactment of the new authorization, it will be difficult for the new Administration to effectively use all of the funds. The funds proposed for deferral are available without regard to fiscal year limitation.

ESTIMATED EFFECTS:

Deferral of $500,000 will still permit a small increase in total Federal funding for fire research and development in FY 1975 compared to 1974.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal).....	$9.0
Without deferral (current estimate).....	5.7
With deferral (revised estimate).....	5.3
Effect of action on 1976 outlays.....	0)

Deferral No.: D75-97

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 61,400,000
Bureau National Bureau of Stds, Off. of Telecommunica- Appropriation Title & Symbol tions	Other budgetary resources	10,310,054
	Total Budgetary Resources	71,710,054
Scientific and technical research and services 13X0500	Amount to be deferred part of year	
	Amount to be deferred for entire year	3,718,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This appropriation funds the activities of the National Bureau of Standards (NBS), which conducts research and develops standards to support the Nation's physical measurement system and equity in trade and performs technical services to promote public safety, National Technical Information Service (NTIS), and the Office of Telecommunications (OT). These funds have been made available without regard to fiscal year limitation.

It is proposed to defer NBS new initiatives in the following areas: radiation safety, water pollution and clinical measurements. On-going activities in electromagnetics, flow measurements, chemical materials, polymeric materials and experimental technology incentives will be deferred. Finally, it is proposed that programs in engineering mechanics and inventor assistance in NBS, and ionospheric research in OT, be terminated.

ESTIMATED EFFECTS:

Deferral of NBS new initiatives will have the following effects: Delays in initiating aspects of the radiation safety program ($256,000) will defer by 18 months the implementation of a national system of radiation calibrations; there will be a one-year delay in water pollution data gathering and development of detection methods ($80,000); and research on clinical measurement methods and materials ($190,000) will be delayed by one year.

Deferrals in on-going programs would have the following impacts: Slowing development of an electromagnetic measurement capability ($153,000) will delay beyond FY 1976 the improved handling of data from research on broadcast waves. A two-year delay in implementing a field calibration program for flow measurement, postponement of achievement of improved methods for predicting pollution levels and a one-year delay in developing standards for high voltage distribution systems will result from proposed deferrals in flow measurements, chemical materials and polymeric materials ($245,000). The slowdown in the number of technology incentive experiments initiated ($2,629,000) will make possible a systematic evaluation of experiments which have already been initiated.

Termination of the activities in engineering mechanics ($91,000) will eliminate dissemination of some engineering data and development of new fiberglass test methods. Termination of National Inventors Council support ($50,000) will make it necessary for inventors to seek government assistance without benefit of a central advisory service. Termination of OT research in ionospheric modification ($24,000) will delay development and implementation of further application of this technique.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal).....	$64.8
Without deferral (current estimate).....	64.4
With deferral (revised estimate).....	62.0
(Effect of action on 1976 outlays.....	-1.3)

Deferral No.: D75-98

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 275,000,000
Bureau Maritime Administration		
Appropriation Title and Symbol	Other budgetary resources	$ 17,003,836
Ship Construction	Total budgetary resources	$ 292,003,836
13X1708	Amount to be deferred part of year	$ ...
	Amount to be deferred for entire year	$ 5,750,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This appropriation provides subsidies for the construction of ships in United States shipyards, and has been made available without regard to fiscal year limitation.

The proposed deferral will delay the conversion of one containership planned for 1975.

ESTIMATED EFFECTS:

The deferral will have no adverse effect on improving the international competitive position of U.S. shipyards because the yards will have a good backlog of orders without this conversion.

TOTAL 1975 OUTLAYS:	DOLLARS IN MILLIONS
1975 Budget (February transmittal)	282.8
Without deferral (current estimate)	260.0
With deferral (revised estimate)	256.0
(Effect of action on 1976 outlays)	-1.8)

Deferral No.: D75-99

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

Agency Department of Commerce	New budget authority (P.L. 94-433)	$ 25,900,000
Bureau Maritime Administration		
Appropriation Title	Other budgetary resources	$ 193,000
Research and Development	Total budgetary resources	$ 26,093,000
13X1716	Amount to be deferred part of year	$ ...
	Amount to be deferred for entire year	$ 3,468,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This appropriation provides for research and development activities directed toward increasing the competitiveness of the U.S. merchant marine. Work is principally conducted through contracts on a cost-sharing basis with private industry.

The deferral will reduce nuclear R&D funding by $1,468,000, and other R&D projects by $2,000,000.

These funds are available without regard to fiscal year limitation.

ESTIMATED EFFECTS:

The reduction in the nuclear R&D program will leave $2,582,000 in FY 1975 to continue high priority nuclear projects. The other R&D program reductions represent about a 9% decrease in funding for the non-nuclear R&D projects in FY 1975. Recent uncertainties concerning the commercial viability of nuclear-powered merchant ships have resulted in the need to reevaluate the supporting nuclear R&D program. Thus, a portion of the program relating to the development of nuclear system components can be deferred in FY 1975. Deferrals, principally due to program slippages will also be made in shipboard automation efforts, the start up of the ship operations simulator, ports and terminals development, and advanced communications systems development.

Table 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	24.3
Without deferral (current estimate).....	25.8
With deferral (revised estimates).....	24.0
(Effect of action on 1976 outlays.....	-1.7)

Deferral No.: D75-100

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

Agency Department of Commerce	New budget authority (P.L. 93-433)	$ 40,333,000
Bureau Maritime Administration		
Appropriation Title and Symbol	Other budgetary resources	$ 198,000
Operations and Training	Total budgetary resources	$ 40,531,000
13X1750	Amount to be deferred part of year	$ ...
	Amount to be deferred for entire year	$ 1,300,000

JUSTIFICATION:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This appropriation provides for the overall headquarters and field staff direction of the Maritime Administration programs; the operation of the U.S. Maritime Academy; financial assistance to State marine schools; maintenance of the National Defense Reserve Fleet; and other related programs. **These funds are available without regard to fiscal year limitation.**

A deferral is proposed for a portion of the U.S. Merchant Marine Academy modernization program.

ESTIMATED EFFECTS:

Because bids for the modification of the physical fitness facilities at the Academy were in excess of funds appropriated, it is proposed to defer the modification of O'Hara Hall facilities. Additionally, the start of Samuel's Hall modification (which will be fully funded in FY 1975) will be delayed by about 3 months.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	38.8
Without deferral (current estimate).....	39.8
With deferral (revised estimate).....	39.1
Effect of action on 1976 outlays.....	(*)

Deferral No.: D75-101

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

Agency Department of Health, Education, and Welfare	New budget authority (P.L. 93-488)	$ 62,500,000
Bureau Health Resources Administration	Other budgetary resources	
Appropriation Title & Symbol	Total Budgetary Resources	62,500,000
Health Resources 7550712 (Health manpower "special projects" activities)	Amount to be deferred part of year	3,550,000
	Amount to be deferred for entire year	

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. This withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The Administration is recommending a $7 million reduction in budget authority for new grant awards in the health manpower "special projects" activities. These savings will be distributed in relatively small amounts among several activities. An ample number of new grant awards will be made, after this reduction has been taken, in the higher priority areas, such as improving the geographic and specialty distribution of health professionals.

The funds proposed for deferral are made available under Continuing Resolution which remains in effect until adjournment of the 93rd Congress.

Estimated Effects

The following effects would result from approval of both the amendment and deferral being proposed:

Total 1975 Outlays	dollars in millions
1975 Budget (February transmittal)	84.5
Without deferral (current estimate) ...	84.5
With deferral (revised estimate)	82.5
Effect of action on 1976 outlays	-5.0

Deferral No.: D75-102

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

Agency Department of Health, Education, and Welfare	New budget authority (P.L. 93-488)	$ 32,323,000
Bureau Health Resources Administration	Other budgetary resources	--
Appropriation Title & Symbol Health Resources 7550712 (Program Management)	Total Budgetary Resources	32,323,000
	Amount to be deferred part of year	1,400,000
	Amount to be deferred for entire year	

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 outlays. This withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The Administration is recommending a $2.8 million reduction in program management funds for the Health Resources Administration. This sum represents the agency's share of a $30 million reduction in the health agencies' general overhead expenses.

The funds proposed for deferral are made available under Continuing Resolution which remains in effect until adjournment of the 93rd Congress.

Estimated Effects:

The following effects would result from approval of both the amendment and deferral being proposed:

Total 1975 Outlays	dollars in millions
1975 Budget (February transmittal)	43
Without deferral (current estimate)	43
With deferral (revised estimate)	40
Effect of action on 1976 outlays	--

These savings will result in less travel and fewer consultants, and are not expected to cause major disruption or inability to manage the programs for which the agency is responsible.

D75-103

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

Agency Department of Health, Education and Welfare	New budget authority (P.L. 93-448)	$64,039,000
Bureau Office of Education	Other budgetary resources	
Appropriation Title & Symbol Elementary and Secondary Education - 7550279	Total Budgetary Resources	64,039,000
(Supplementary Services)	Amount to be deferred part of year	9,278,000
	Amount to be deferred for entire year	

Justification:

The 1975 President's Budget proposed a total of $146,393,000, the same as the 1974 level, for supplementary services. The program was continued at this level during the first quarter under the original Continuing Resolution with an amount of $32,487,000 made available.

However, subsequent action by the House on the supplemental appropriation bill would reduce the program to a total of $125,000,000. The Senate Committee has recommended reducing the program even further to a total of $120,000.
Even though the extended Continuing Resolution technically authorizes maintaining the program at the $146,393,000 level, it appears that the most judicious course of action during the second quarter is to operate at the House allowance level of $125,000,000. This will preserve the flexibility of the Congress and the Administration in arriving at a final decision on the level at which this program should be continued.

The discretionary portion of the program (15 percent is reserved for the Commissioner) is not affected by this action since the bulk of these funds is not obligated until later in the year. The deferred amount of $9,278,000 is for the State grant portion only, and represents the difference between the $146,393,000 and the $125,000,000 levels on a half-year basis. The deferred funds are not available beyond fiscal year 1975.

Estimated Effects:

The effect of this deferral is to fund the State grant portion of the program at a level of $53,899,000 for the first half of FY 1975, as contrasted to $63,177,000 per half in FY 1974. The deferral will have little or no programmatic effect because it involves the approval of new projects which would not start until a later time. Therefore, States can just as effectively utilize these funds later in the year. The President's 1975 Budget included estimated outlays of $2,320,000 in 1975 and $6,958,000 in 1976 against the amount being withheld. The deferral will merely shift the $2,320,000 from the first to the second half of 1975.

D75-104

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

Agency Department of Health, Education, and Welfare	New budget authority (P.L. 93-448)	$14,250,000
Bureau Office of Education	Other budgetary resources	
Appropriation Title & Symbol Elementary and Secondary Education - 7550279 (Equipment and Minor Remodeling)	Total Budgetary Resources	14,250,000
	Amount to be deferred part of year	6,562,500
	Amount to be deferred for entire year	

Justification:

The 1975 President's Budget proposed a total of $28,500,000, the same as the 1974 level, for equipment and minor remodeling. This program consists of grants to States for equipment acquisition ($26,250,000) and for State administration of the program ($2,000,000), and loans to nonprofit private schools ($250,000). The program was continued at this level during the first quarter under the original Continuing Resolution with an amount of $7,100,000 made available.

However, subsequent action by the House on the supplemental appropriation bill would reduce the program to a total of $15,000,000 - $12,750,000 for equipment grants, $2,000,000 for State administration, and $250,000 for loans. The Senate Committee has recommended restoring the program to the $28,500,000 level.

Even though the extended Continuing Resolution technically authorizes maintaining the program at the higher level, it appears that the most judicious course of action during the second quarter is to operate at the level of the House allowance. This will preserve the flexibility of the Congress and the Administration in arriving at a final decision on the level at which this program should be continued.

Therefore, an amount of $6,562,500 for equipment grants to States is reported as being deferred. This action does not affect the operating expenses of State agencies or loans to non-profit private schools, both of which are being funded in the second quarter. The deferred funds are not available beyond fiscal year 1975.

Estimated Effects:

The effect of this deferral is to fund the equipment grants to States at a level of $6,562,500 for the first half of FY 1975, as contrasted to $13,125,000 per half in FY 1974. The deferral will have little or no programmatic effect because States can just as effectively utilize their equipment grants later in the year. The President's 1975 Budget included estimated outlays of $1,637,500 in 1975 and $4,900,000 in 1976 against the amount being withheld. The deferral will merely shift the $1,637,500 from the first to the second half of 1975.

D75-105 —

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

Agency Department of Health, Education, and Welfare	New budget authority (P.L. 93-448) $ 1,900,000
Bureau Office of Education	Other budgetary resources
Appropriation Title & Symbol Elementary and Secondary Education - 7550279 (Nutrition and Health)	Total Budgetary Resources 1,900,000
	Amount to be deferred part of year 1,900,000
	Amount to be deferred for entire year

Justification:

The 1975 President's Budget proposed an amount of $1,900,000 for demonstration projects in school nutrition and health services. House action on the supplemental appropriation bill would eliminate the program. The Senate Committee has recommended restoring the program to the $1,900,000 requested level.

Even though the extended Continuing Resolution technically authorizes maintaining the program at the $1,900,000 level, it appears that the most judicious course of action during the second quarter is to hold the program in abeyance. This will preserve the flexibility of the Congress and the Administration in arriving at a final decision on the level at which this program should be continued. The deferred funds are not available beyond fiscal year 1975.

Estimated Effects:

This deferral will have little or no programmatic effect since the funds would support the continuation of 85 existing projects whose renewals fall due at a later time. Therefore, these awards can be delayed beyond the second quarter without adverse effect. The President's 1975 Budget included estimated outlays of $500,000 in 1975, $1,000,000 in 1976, and $400,000 in 1977 for this program. The deferral will merely shift the $500,000 from the first to the second half of 1975.

Deferral No.: D75-106

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

Agency Health, Education, and Welfare	New budget authority (P.L. 92-448)	$ 57,649,000
Bureau Office of the Secretary	Other budgetary resources	---
Appropriation Title & Symbol Departmental Management 7550120	Total Budgetary Resources	57,649,000
	Amount to be deferred part of year	1,902,000
	Amount to be deferred for entire year	---

Justification

For FY 1975, $118,769,000 (excluding trust fund transfers) was requested for this appropriation. The House allowance was $114,800,000 and the Senate allowance was $99,593,000 in the Labor - HEW Appropriation bill.

The "Amount to be deferred part of the year" represents the second quarter portion of our best estimate of Congressional reduction in the FY 1975 appropriation request. This deferral will preserve flexibility of Congress and the Administration in arriving at a final decision on this appropriation.

The deferred funds are not available beyond fiscal year 1975.

Total 1975 Outlays	dollars in millions
1975 Budget (February transmittal)	121
Without deferral (current estimate)	121
With deferral (revised estimate).....	120
(Effect of action on 1976 outlays	-1)

Estimated Effects

Of the total $1,902,000 deferral through the 2nd quarter $902,000 will be in salaries and expenses activities. This deferral will result in a reduction primarily in temporary and part-time employment, travel, and equipment purchases. This will result in a decrease of $812,000 in outlays in FY 1975.

The balance of the deferral, or $1,000,000 will be in the Policy Research program. This will result in the deferral in FY 1975 of the planned funding of certain grants and contracts until FY 1976. This will result in a decrease of $500,000 in outlays in FY 1975.

Deferral No.: D75-107

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

Agency Department of Housing and Urban Development	New budget authority (P.L. 93-414)	$ 100,000,000
Bureau Community Planning and Development	Other budgetary resources	293,856
Appropriation Title & Symbol	Total Budgetary Resources	100,293,856
Comprehensive Planning Grants 86X0104	Amount to be deferred part of year	
	Amount to be deferred for entire year	50,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Section 701 of the Housing Act of 1954, as amended, authorizes grants (normally two-thirds) to support State and local programs financing comprehensive planning and management programs concerned with urban and rural development. Deferral of $50 million out of amounts appropriated is proposed. This action is recommended in order to help reduce Federal expenditures and to help curb inflation. This action would result in a new savings in FY 1975 outlays of $10 million.

The funds proposed for deferral will be used to reduce the appropriation needed to finance the 1976 commitment level.

Estimated Effects

The proposed deferral would reduce the level of assistance to 701 recipients to about two-thirds of the 1974 level. This amount would allow HUD to continue support for high priority planning and management activities at the State and local level. The proposed deferral would leave $50 million from FY 1975 appropriations available for commitment. Since this program uses an advance funding arrangement, FY 1975 programs are financed, in part, with funds committed in FY 1974. Therefore, there will be some time to adjust work programs to the reduced funding level. The total outlay savings will be $50 million, $10 million in 1975 and $40 million in 1976.

Total 1975 Outlays	$ in Millions
1975 Budget.....	118
Without Deferral.....	120
With Deferral.....	110
Effect on 1976 Outlays.....	-40

Deferral No.: D75-108

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

Agency Department of Housing and Urban Development	New budget authority (P.L. 93-414)	$ 65,000,000
Bureau Policy Development and Research	Other budgetary resources	506,665
Appropriation Title & Symbol	Total Budgetary Resources	65,506,665
Research and Technology 864/50108-865/60108	Amount to be deferred part of year	
	Amount to be deferred for entire year	8,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Research and Technology contracts and grants are authorized by Title V of the Housing and Urban Development Act of 1970, as amended. The funds appropriated pursuant to this authority support programs of research, studies, testing and demonstrations relating to the mission and the programs of the Department. The funds proposed to be deferred are available for 2 years by the terms of the Appropriations Act, and would be available for use in FY 1976.

Estimated Effects

The proposed action would allow the Department to continue priority research activities, but would not allow for the expansion of research activities in FY 1975. This action would result in an estimated savings in 1975 outlays of $8 million.

Total 1975 Outlays	$ in Millions
1975 Budget (February transmittal)...	67
Without Deferral (current estimate)..	64
With Deferral (revised estimate).....	56
Effect on 1976 Outlays.....	--

Deferral No.: D75-109

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

Agency Department of the Interior	New budget authority (P.L. 93-404)	$ 330,000,000
Bureau Bureau of Outdoor Recreation	Other budgetary resources	34,202,641
Appropriation Title & Symbol	Total Budgetary Resources	364,202,641
14 X 5005 Land and Water Conservation	Amount to be deferred part of year	0
	Amount to be deferred for entire year	20,000,000* 1/ 10,000,000 2/

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

The Land and Water Conservation Fund Act (16 U.S.C. 460 1) provides funds for grants to States and for the National Park Service, Fish and Wildlife Service, Forest Service, and Bureau of Land Management to purchase lands for specifically authorized national parks, national recreation areas, wild and scenic rivers, national trails, etc. Also, funds from this source may be utilized under such general authorities as preservation of endangered species habitat or acquisition of national forest inholdings.

To effect an outlay saving, $20,000,000 of Federal land acquisition funds will be deferred until 1976. The $20,000,000 proposed for deferral was made available without regard to fiscal year limitation in the Department of Interior and Related Agencies Appropriation Act of 1975 (P.L. 93-404).

The Land and Water Conservation Fund Act also provides for a program of grants-in-aid to States for acquisition and development of recreation lands and facilities. Grants are approved for the States on a 50-50 matching funds basis. The grant system is operated on a reimbursable basis for work performed or for projects completed. While a State project may be approved in one year, thereby showing up as an obligation, the time for actually completing the project may be 1-3 or more years. The State may not request reimbursement for several years and, therefore, outlays related to the initial obligation may not occur for several years hence.

An additional $10,000,000 outlay saving is anticipated due to delays in requests for reimbursement from the States. This delay of outlays will have no effect on the State obligational program and will require no deferral of funds.

*30,000,000 of contract authority has been reserved for contingencies under the Anti-Deficiency Act, as previously reported in D75-55.

1/Obligations and outlays.

2/Outlays only.

Estimated Effects:

Total 1975 outlays	Dollars in Millions
1975 Budget (February transmittal)	256
Without deferral or administrative slippage (cur. est. including congressional action)	286
With deferral	266
With deferral and administrative slippage (rev. est.)	256
(Effects of action on 1976 outlays	+30)

As virtually all of the Federal land purchases made are on an opportunity (willing seller) basis, deferral of the funds may result in the Federal agencies passing up opportunities at this time. However, the deferral will have no serious programmatic implication; program goals can still be achieved.

Slippage of $10,000,000 of State outlays will have no effect on the State obligational program for the reasons cited above.

Neither the deferral nor the administrative action will have any effect on Federal or non-Federal employment.

Summary of FY 1975 AEC Budget Deferrals
($M)

	Outlays
1975 Budget	3,013.7
Without deferral (current estimate	2,997.6
Deferrals:	
Operating Expenses Appropriation*	(27.0)
Weapons program	3.0
Liquid Metal Fast Breeder Reactor (LMFBR) research and development	6.0
Gas-cooled reactor research and development	5.0
Physical research	2.0
Controlled Thermonuclear Research (CTR)	6.0
Biomedical and environmental research	3.0
Laser fusion research	2.0
Plant and Capital Equipment Appropriation	(53.0)
High Energy Laser Facility	1.0
Cascade Improvement Program and Cascade Uprating Program	9.0
Atmospheric Pollution Control Facility	1.0
Fire and safety project	2.2
Fast Flux Test Facility (FFTF)	6.0
Molten Salt Breeder Reactor (MSBR) demonstration plant (preliminary planning)	1.5
High Temperature Gas-cooled Reactor fuel cycle facilities	6.9
Capital equipment for CTR and other civilian reactor research	9.0
Other capital equipment	16.4
Total AEC	80.0
With deferral (revised estimate)	2,917.6

* Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Deferral No.: D75-110

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol	Total Budgetary Resources	3,284,192,407
Operating Expenses 89X0101	Amount to be deferred part of year	
(Weapons Program)	Amount to be deferred for entire year	4,000,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects:

Weapons Program, Weapons Activities (Production and Surveillance)

A deferral of $4.0 million will stretch-out some new occupational Safety and Health Act (OSHA) and fire and safety improvements within the production complex. Since this requires deferral of several plant improvement projects, only the highest risk conditions will be immediately corrected with others deferred for correction until FY 1976.

*Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2994.6
(Effect of action on 1976 outlays)	$ 0

Deferral No.: D75-111

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Operating Expenses 89X0101 (Civilian Reactor Research and Development)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	
	Amount to be deferred for entire year	8,000,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Civilian Reactor Research and Development - Operating Expenses
The deferral of $8.0 million of budget authority will stretch-out development of some systems and components for the Clinch River Breeder Reactor demonstration project. This will result in a delay in the pace of the project which has the objective of demonstrating Liquid Metal Fast Breeder Reactor technology. However, essential design and long-lead component development will be continued.

*Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February Transmittal).....	$ 3013.7
Without deferral (current estimate).....	2997.6
With deferral (revised estimate).....	2991.6
(Effect of action on 1976 outlays).....	$ 0

Deferral No.: - D75-112

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Operating Expenses 89X0101 (Civilian Reactor Research and Development)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	
	Amount to be deferred for entire year	6,700,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Civilian Reactor Research and Development - Operating Expenses
Deferral of $6.7 million of budget authority will reduce efforts on developing a direct cycle gas turbine to be used in conjunction with high temperature gas cooled reactors and delay research and development on experimental fuels, materials, and safety activities for the gas cooled fast breeder reactor.

*Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2992.6
(Effect of action on 1976 outlays)	$ 0

Deferral No.: -D75-113

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol	Total Budgetary Resources	3,284,192,407
Operating Expenses 89X0101	Amount to be deferred part of year	
(Physical Research)	Amount to be deferred for entire year	2,700,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects:

This deferral in the Physical Research program will stretch-out some on-going research projects and defer some new research activities in molecular sciences and materials sciences planned for FY 1975. This will delay research which supports long-term energy development programs. However, a substantial increase over FY 1974 funding levels will still be allowed for energy-related research.

*Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2995.6
(Effect of action on 1976 outlays)	$ 0

Deferral No.: D75-114

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol	Total Budgetary Resources	3,284,192,407
Operating Expenses 89X0101	Amount to be deferred part of year	
(Controlled Thermonuclear Research)	Amount to be deferred for entire year	8,000,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects:

The deferral in the Controlled Thermonuclear Research program will reduce somewhat the planned acceleration of research on tokamak impurity control, stretch-out experiments with theta pinch devices, and defer some new activities in CTR technology development and exploratory research. This may result in some delay in the next generation of experiments.

*Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2991.6
(Effect of action on 1976 outlays)	$ 0

Deferral No.: D75-115

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

Agency United States Atomic Energy Commission	New budget authority (P.L.)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Operating Expenses 89X0101 (Biomedical and Environmental Research & Safety)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	
	Amount to be deferred for entire year	4,000,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects:

This deferral in the Biomedical and Environmental Research and Safety program will be applied to AEC's portion of the Artificial Heart program, resulting in a close-out of AEC's effort to develop a nuclear power source for an artificial heart. Similar research and development by HEW will be continued.

* Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays:

	Dollars in Millions
1975 Budget (February transmittal)	3,013.7
Without deferral (current estimate)	2,997.6
With deferral (revised estimate)	2,994.6
(Effect of action on 1976 outlays)	0

Deferral No.: D75-116

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

Agency United States Atomic Energy Commission	New budget authority (P.L.)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol	Total Budgetary Resources	3,284,192,407
Operating Expenses 89X0101	Amount to be deferred part of year	2,000,000
Plant and Capital Equipment 89X0103 (Weapons Program)	Amount to be deferred for entire year	2,700,000*

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects:

Weapons Program - Laser-Fusion Operating - The deferral of $2.7 million will delay the initiation of some new contracts with outside industrial and research organizations and educational institutions as well as reduce the FY 1975 in-house effort directed toward this long-range program. This may result in delay in achievement of near-term goals in laser and target development.

Weapons Program - Laser Fusion Plant and Capital Equipment (Project 75-3-b, High Energy Laser Facility, Los Alamos Scientific Laboratory) - The deferral of $2.0 million against this project will delay the start of the project. This slippage will probably delay the demonstration of the scientific feasibility of laser fusion.

* Some portion or all of the funds to be deferred may be identified at a later date for reprogramming to implement the Energy Reorganization Act of 1974.

Total 1975 Outlays:

	Dollars in Millions
1975 Budget (February transmittal)	$3,013.7
Without deferral (current estimate)	2,997.6
With deferral (revised estimate)	2,994.6
(Effect of action on 1976 outlays)	0

Deferral No.: D75-117

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Plant and Capital Equipment 89X0103 (Nuclear Materials)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	12,000,000
	Amount to be deferred for entire year	

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Nuclear Materials Program - Project 74-1-g, Cascade uprating program, gaseous diffusion plants and Project 71-1-f, Process equipment modifications, gaseous diffusion plants. The deferral of $12 million in Projects 71-1-f and 74-1-g for our Cascade Improvement and Cascade Uprating Programs (CIP/CUP) would result in a one year delay in uprating electrical switchyards at the three gaseous diffusion plants. This will result in a one time loss of 500 metric tons of separative work.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2988.6
(Effect of action on 1976 outlays)	+9.0

Deferral No.: D75-118

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867
Appropriation Title & Symbol Plant and Capital Equipment 89X0103 (Nuclear Materials)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	12,000,000
	Amount to be deferred for entire year	

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Nuclear Materials Program - Project 75-1-f, Atmospheric pollution control facility, Savannah River, South Carolina Deferral of $7.0 million in 1975 budget authority will delay by one year compliance with South Carolina state standards for particulate emissions.

Weapons Program - Project 71-9, Fire, safety and adequacy of operating conditions projects, various locations. The $5.0 million deferral for this project will result in some possible slippage in the final completion date. Some planned corrections to fire and safety problems will not be achieved for the period of deferral. The deferral may increase the total cost of the project, which is now scheduled for completion in the late 1970s.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2994.4
(Effect of action on 1976 outlays)	+3.2

Deferral No.: 1975-119

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Plant and Capital Equipment 89X0103 (Civilian Reactor Research and Development)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	10,000,000
	Amount to be deferred for entire year	

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Civilian Reactor Research and Development - Plant & Capital Equipment
The deferral of $10.0 million of budget authority will constrain FY 1975 funding for the construction of the Fast Flux Test Facility which may delay the availability of this facility. Until the FFTF is completed, the U.S. will have to continue to rely upon the Experimental Breeder Reactor II (EBR II) for data on the performance of fuels in a Liquid Metal Fast Breeder Reactor. Since the EBR II does not possess the testing capabilities of the FFTF, a significant further delay in the completion of the FFTF would be undesirable for the LMFBR program. However, any delay resulting from this deferral action would be relatively brief.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2991.6
(Effect of action on 1976 outlays	+6.0

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Plant and Capital Equipment 89X0103 (Civilian Reactor Research and Development)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	
	Amount to be deferred for entire year	1,500,000

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Civilian Reactor Research and Development - Plant Capital Equipment
Deferral of $1.5 million of budget authority will reduce support of the Molten Salt Breeder Reactor program. Ongoing Molten Salt Breeder Reactor program technology development efforts will continue to resolve important technical problems of this reactor concept. The deferral will delay initiation of preliminary planning for a possible future Molten Salt Breeder Reactor demonstration project.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2996.1
(Effect of action on 1976 outlays)	+1.5

Deferral No.: D75-121

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Plant and Capital Equipment 89X0103 (Civilian Reactor Research and Development)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	12,100,000
	Amount to be deferred for entire year	

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Civilian Reactor Research and Development - Plant & Capital Equipment

Deferral of $12.1 million of budget authority for high temperature gas reactor pilot plant reprocessing and refabrication facilities will result in some delay for these facilities which will be needed to demonstrate fuel recycle technology for commercial high temperature gas cooled reactors.

The two projects will require much more complex processes and systems then had been conceived earlier. AEC will proceed with project design to permit resolution of technical uncertainties and improved cost estimates.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2990.7
(Effect of action on 1976 outlays)	+6.9

Deferral No.: D75-122

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

Agency U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol Plant and Capital Equipment 89X0103 (Civilian Reactor Research and Development and Controlled Thermonuclear Research)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	13,000,000
	Amount to be deferred for entire year	

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects: Civilian Reactor Research and Development & Controlled Thermonuclear Research - Plant and Capital Equipment

The deferral of $13.0 million of budget authority will result in a delay until FY 1976 of acquisition of new computer capability in the Controlled Thermonuclear Research program ($11.0 million). In addition, it will reduce equipment procurements for civilian reactor research activities ($2.0 million). This will result in a delay until FY 1976 of the acquisition of a scientific computer dedicated to the fusion program, which is expected to improve the design of next generation experiments and the understanding of plasma behavior.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2988.6
(Effect of action on 1976 outlays)	+9.0

Deferral No.: D75-123

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

Agency: U. S. Atomic Energy Commission	New budget authority (P.L. 93-393)	$ 3,229,325,000
Bureau	Other budgetary resources	54,867,407
Appropriation Title & Symbol: Plant and Capital Equipment 89X0103 (Other Capital Equipment)	Total Budgetary Resources	3,284,192,407
	Amount to be deferred part of year	13,900,000
	Amount to be deferred for entire year	

Justification:

Deferral of no-year funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Estimated Effects:

Other Capital Equipment - Computers - The deferral of computer funds totaling $9.5 million will delay additional computer capability for Nuclear Materials ($2.3 million), Weapons ($6 million), Physical Research (0.7 million) and Biomedical and Environmental Research (0.5 million). Consequences will include some delays in a) improvement of nuclear materials production processes at the Savannah River plant and b) installation of additional computational capability for the weapons program at Sandia Laboratory.

Other Capital Equipment - General - Deferrals totaling $4.4 million in general equipment will: 1) delay procurement of a $1.0 million electron microscope in the Physical Research program (deferring a program which will simulate neutron damage to reactor materials); 2) delay a $2.4 million procurement of two currently leased airplanes in the Weapons program (increasing cost of later procurement by about 10%); and 3) delay procurements totaling $1.0 million in the Nuclear Materials program for replacement of reactor and plant support equipment (increasing risk of plant down-time as a result of equipment failures).

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	$ 3013.7
Without deferral (current estimate)	2997.6
With deferral (revised estimate)	2981.2
(Effect of action on 1976 outlays).....	+16.4

Deferral No.: D75-124

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

Agency National Aeronautics and Space Administration	New budget authority (P.L. 93-414)	$109,600,000
Bureau	Other budgetary resources	
Appropriation Title & Symbol	Total Budgetary Resources (See coverage below)	$109,600,000
Research and Development	Amount to be deferred part of year	--
27-00-0108-0-1-250	Amount to be deferred for entire year	20,000,000
(Manned Space Flight)		

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

This action would defer $20 million in FY 1975 obligations planned for the U.S./U.S.S.R. docking mission scheduled for launch in July 1975. Funds provided for this activity remain available until expended. Rephasing of funding is possible in this program because of excellent progress to date in preparing for the mission.

Estimated Effects:

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	117
Without deferral (current estimate)	117
With deferral (revised estimate)	98
(Effect of action on 1976 outlays	--)

This deferral is not expected to adversely affect the launch schedule for the mission. However, the amount of contingency available to handle unforeseen technical problems would be reduced. This mission is an important cooperative project with the Soviets and is expected to contribute to improved understanding and cooperation between the U.S. and the U.S.S.R.

Deferral No.: D75-125

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

Agency National Aeronautics and Space Administration Bureau	New budget authority (P.L. 93-414)	$ 65,700,000
	Other budgetary resources	--
Appropriation Title & Symbol Research and Development 27-00-0108-0-1-250 (Space science and applications)	Total Budgetary Resources (See coverage below)	$ 65,700,000
	Amount to be deferred part of year	--
	Amount to be deferred for entire year	$ 16,000,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

This deferral of $16,000,000 of no year funds would delay the rate of buildup for several new NASA science and application flight projects including Pioneer-Venus, a scientific mission; SEASAT-A, an ocean observation satellite; NIMBUS-G, a pollution monitoring satellite; TIROS-N, an advanced weather satellite; and the Heat Capacity Mapping mission, a thermal sensing satellite.

Estimated Effects:

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	40
Without deferral (current estimate)	40
With deferral (revised estimate)	24
(Effect of action on 1976 outlays	--)

The deferral of the rate of buildup on these projects could delay their launch dates by several months. These schedule slippages are not expected to have a significant programmatic impact.

Deferral No.: D75-126

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

Agency National Aeronautics and Space Administration	New budget authority (P.L. 93-414)	$ 681,800,000
Bureau - -	Other budgetary resources	
Appropriation Title & Symbol Research and Development 27-00-0108-0-1-250 (Aeronautical research and space supporting activities)	Total Budgetary Resources	$ 681,800,000
	Amount to be deferred part of year	- -
	Amount to be deferred for entire year	36,000,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit congressional review of the action contemplated.

Funds provided in this account remain available until expended. This deferral would delay FY 1975 obligations in several of NASA's program support elements. The affected areas would include research and technology related to advanced systems for space exploration and aeronautics, analysis of data in the space science program, and the maintenance and upgrading of equipment for the tracking and data acquisition program.

Estimated Effects:

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	678
Without deferral (current estimate)	678
With deferral (revised estimate)	643
(Effect of action on 1976 outlays	--)

These deferrals would affect a wide range of NASA's supporting activities planned for FY 1975, but would not have a major schedule impact on specific project milestones.

Deferral No.: D75-127

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

Agency National Foundation on the Arts and the Humanities	New budget authority (P.L. 93-404)	$159,600,000
Bureau N.A.	Other budgetary resources	24,930,930
Appropriation Title & Symbol National Foundation on the Arts and the Humanities - Salaries and Expenses 59 X 0100	Total Budgetary Resources	184,530,930
	Amount to be deferred part of year	18,000,000
	Amount to be deferred for entire year	

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16,1974, to permit Congressional review of the action contemplated.

Estimated Effects

This action would delay obligation of $18M into the 2nd half of the fiscal year to insure an $8 million outlay saving. The effect of this deferral will be a somewhat delayed beginning for some projects anticipated to be begun in FY 1975. There will be no increase in FY 1976 outlays.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal and May budget amendment)	$164
Without reduction (Current estimate)	164
With reduction	156
Effect of action on 1976 outlays	-0-

Deferral No.: D75-128

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

Agency National Science Foundation	New budget authority (P.L. 93-414)	$ 661,500,000
Bureau ---	Other budgetary resources	5,000,000
Appropriation Title & Symbol	Total Budgetary Resources	666,500,000
Salaries and Expenses 495/60100	Amount to be deferred part of year	---
	Amount to be deferred for entire year	15,000,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This action would defer spending within the following NSF program categories:
National Research Centers ($2.5M) for improvement of computer at National Center for Atmospheric Research, selected purchases and schedule shifts for the Very Large Array radioastronomy facility, deferral of purchases at other Centers.
Research Applied to National Needs ($3M) for Disaster and Natural Hazard Research including the areas of Earthquake Engineering and Fire Research.
Science Education ($4M) in selected areas, including problem assessment and educational program restructuring.
Institutional support for science ($5.5M) for discretionary formula grants to colleges and universities.

Estimated Effects:

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	630
Without deferral (Current estimate).....	625
With deferral (Revised estimate).....	617
(Effect of action on 1976 outlays.....	---)

The specific deferrals were made selectively in lower priority activities where such deferrals would not unduly impede program development. The deferrals would have the effects in

- National Research Centers of delaying 1975 purchases and schedules, but not slipping project completion dates.

- Research Applied to National Needs of reducing level of support in 1975 but still maintaining a significant national effort in these longer range research areas.

- Science Education of reducing support in lower priority areas based on programmatic judgments but not impeding overall program development.

- Institutional Grants for Science of delaying the obligation of formula grants providing discretionary funds to colleges and universities.

Deferral No.: D75-129

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

Agency National Science Foundation	**New budget authority** (P.L. 93-322)	$ 101,800,000
Bureau ---	**Other budgetary resources**	625,000
Appropriation Title & Symbol	**Total Budgetary Resources**	102,425,000
Salaries and Expenses (Special Energy R & D Appropriation Act, 1975)	**Amount to be deferred part of year**	---
49 x 0100	**Amount to be deferred for entire year**	5,000,000

Justification:

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

This action would defer until 1976 the spending of $5 million in budget authority from the NSF solar and geothermal research programs.

Estimated Effects:

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal)	45
Without deferral (current estimate)	45
With deferral (revised estimate)	43
(Effect of action on 1976 outlays	--)

The 1975 program of solar and geothermal energy research--after the deferral of $5 million in budget authority--will still increase over 250% above the 1974 level. The remaining program funds in NSF ($67 million in budget authority) will allow for

- a vigorous research program in NSF
- the implementation of recently passed legislation on solar and geothermal energy development and demonstration, and
- the successful 1975 transfer of lead agency responsibility for solar and geothermal energy R & D to the new Energy Research and Development Administration from the NSF

Deferral No.: D75-130

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

Agency Small Business Administration	New budget authority (P.L. 93-433)	$ 327,500,000
Bureau	Other budgetary resources	78,696,721
Appropriation Title & Symbol	Total Budgetary Resources	406,196,721
Business Loan & Investment Fund 73X4154	Amount to be deferred part of year	
	Amount to be deferred for entire year	36,000,000

Justification

This withholding of funds is one of several special actions proposed by the President to restrain 1975 budget outlays. Since these restraints are being proposed after Congressional action affecting most 1975 funds has been completed, this withholding will be delayed until December 16, 1974, to permit Congressional review of the action contemplated.

The SBA's Business Loan and Investment Fund is used to provide direct loans to small businesses, and to meet Government obligations arising from the SBA guarantee of loans by private financial institutions to small businesses. Outlays for direct loans occur when SBA provides direct loan funding, so these outlays are controllable by the agency. Outlays to meet commitments of SBA guarantees result from the failure of loan recipients to meet the requirements of the loan agreement, which results in a demand upon SBA to honor its guarantee.

It is proposed to defer the use of $36 million in budget authority which otherwise would be available for direct loans in 1975. A total of $199 million would remain available in 1975 for direct loans, and available funds will permit SBA to guarantee up to $2,094.5 million in loans made to small businesses. These funds are available without regard to fiscal year limitation.

Estimated Effects

The deferral will result in about 518 fewer loans to small businesses in 1975, or about 2.1% less than would be possible without the deferral. This action would affect less than 0.01% of the small businesses in the country. The reduction will be made in those program areas where there is the best chance that the small businesses will be able to obtain financing from other sources. Even after this reduction, SBA expects to provide direct loans or guarantee loans for over 23,700 small businesses in 1975.

Total 1975 Outlays	Dollars in Millions
1975 Budget (February transmittal).....	$471
Without deferral (Current estimate).....	420
With deferral (revised estimate).....	398
(Effect of action on 1976 outlays.....	-14)

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