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By [Signature]

4/27/81

01906855

SP281-14

WS

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith report six revisions to previously transmitted rescission proposals. Three of the revisions decrease the total amount proposed for rescission by \$3.7 million. The other revisions to proposed rescissions make technical changes to appropriation language which do not affect the amounts proposed for rescission. In addition, I am reporting two new deferrals totaling \$6.4 million and revisions to five previously reported deferrals.

The revisions to rescission proposals affect programs in the Departments of Agriculture and Energy, as well as ACTION and the National Science Foundation. The new deferrals and revisions to existing deferrals involve programs in the Departments of Agriculture, Commerce, Energy, Health and Human Services, and Transportation, as well as the Board for International Broadcasting and the International Communication Agency.

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

Budget Rescissions and Deferrals

Ronald Reagan

THE WHITE HOUSE,

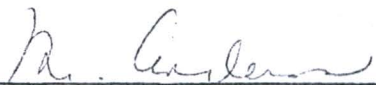
April 27, 1981.

Delivered to Secretary of State: 4/27/81 (9:47a)
Delivered to Clerk of House: 4/27/81 (9:50a)

[Handwritten initials]

April 27, 1981

Received from the White House a sealed envelope said to contain a message from the President wherein he transmits the Ninth Special Message for Fiscal Year 1981 under the Impoundment and Control Act of 1974.



(Secretary of the Senate)

9:47 am.

(Time received)

April 27, 1981

Received from the White House a sealed envelope said to contain a message from the President wherein he transmits the Ninth Special Message for Fiscal Year 1981 under the Impoundment and Control Act of 1974.

Shannon E. Branderburg
for Edmund L. Henshaw, Jr. Clerk
(Clerk of the House of Representatives)

9:50 AM
(Time received)

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

<u>Rescission#</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Agriculture	
	Rural Electrification Administration	
R31-45A	Rural communication development fund.....	16,000
	Department of Energy	
	Energy Programs	
R31-130A	Energy supply, research and development activities - operating expenses.....	126,232
	Other Independent Agencies	
	ACTION	
R31-103A	Operating expenses, domestic programs.....	200
	National Science Foundation	
R31-110A	Research and related activities.....	66,000
R31-111A	Science and engineering education activities....	<u>16,000</u>
	Subtotal, rescission proposals....	224,432

Rescission of Authority to Incur Obligations for Direct Loans:

	Off-Budget Federal Entities:	
	Department of Agriculture	
	Rural Electrification Administration	
R31-122A	Rural electrification and telephone revolving fund.....	<u>137,000</u>
	Subtotal, rescission of loan authority.....	137,000

<u>Deferral #</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Agriculture	
	Forest Service	
D31-2A	Expenses, brush disposal.....	40,570
	Department of Commerce	
	National Oceanic and Atmospheric Administration	
D31-105	Promote and develop fishery products and research pertaining to American fisheries.....	5,000
	Department of Energy	
	Energy Programs	
D31-33B	Fossil energy construction.....	100,000

<u>Deferral #</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Health and Human Services	
	Office of Assistant Secretary for Health	
D31-11A	Scientific activities overseas (special foreign currency program).....	9,113
	Department of Transportation	
	Federal Highway Administration	
D31-39A	Trust fund share of other highway programs.....	17,735
	Other Independent Agencies	
	Board for International Broadcasting	
D31-106	Grants and expenses.....	1,370
	International Communication Agency	
D31-76A	Acquisition and construction of radio facilities	<u>13,326</u>
	Subtotal, deferrals.....	137,119
	Total, rescission proposals and deferrals.....	593,601

SUMMARY OF SPECIAL MESSAGES
FOR FY 1981

(in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Ninth special message:		
New items.....	---	6,370
Change to amounts previously submitted.....	<u>-3,675</u>	<u>16,420</u>
Effect of ninth special message.....	-3,675	22,790
Previous special messages.....	<u>14,757,545</u>	<u>8,585,187</u> <u>a/</u>
Total amount proposed in special messages.....	14,753,870 <u>b/</u>	8,607,977 <u>c/</u>

a/ This amount has been adjusted downward by \$5 thousand to correct a discrepancy in a previous special message.

b/ This amount represents budget authority except for \$751,800 thousand involving authority to incur obligations for direct loans.

c/ This amount represents budget authority except for \$61,756 thousand involving the deferral of outlays only (D81-19B).

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-45, transmitted to the Congress on March 17, 1981.

The amount currently proposed for rescission for the Rural Communication Development Fund of the Rural Electrification Administration is \$16,000,000, rather than \$16,341,000 as originally proposed. This decrease of \$341,000 from the original proposal is being made to reflect elimination from the rescission proposal of funding related to estimated interest expenses. In the absence of this proposal, interest expenses for the program would have been funded using permanent indefinite authority to borrow. If the proposal is accepted by the Congress, these expenses would not be incurred and this authority to borrow would not be used for this program.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency Department of Agriculture	New budget authority \$ <u>34,000,000*</u> (P.L. 96-528)
Bureau Rural Electrification Administration	Other budgetary resources <u>1,180,000*</u>
Appropriation title & symbol	Total budgetary resources <u>35,180,000*</u>
Rural Communication Development Fund 12X4142	Amount proposed for rescission \$ <u>16,000,000*</u>
OMB identification code: 12-4142-0-3-452	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input checked="" type="checkbox"/> Other Authority to Borrow

Justification: This fund is used to make or guarantee loans for community antenna television services or facilities. The Administration believes that it is more appropriate for the private sector to fund this activity. This rescission proposal is part of the Administration's effort to combat inflation. It has been determined that this reduction can be made without adversely affecting human health and safety or other critical needs. Also, it is believed that sufficient capital will be available from the private sector to fund this activity.

Estimated Effects:* The proposed rescission would reduce the amount of insured Community Antenna Television Facility loans from \$31.4 million to \$15.4 million.

Outlay Effect:* (in millions of dollars)

1981 Outlay Estimate	
Without Rescission	With Rescission
18.9	12.1

Outlay Savings			
1981	1982	1983	1984
6.8	9.2	---	---

* Revised from previous report.

R81-45A

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

Rural Communication Development Fund

Of the loan levels authorized under this head in P.L. 96-528, making appropriations for fiscal year 1981, \$16,000,000 are rescinded.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-130 transmitted to the Congress on March 19, 1981.

This revision decreases the amount proposed for rescission from \$126,609,000 to \$126,282,000. This decrease of \$327,000 reflects a technical adjustment to the amount proposed for rescission for solar programs from \$57,136,000 to \$56,809,000. This change corrects an error made in the computation of amounts available for rescission that resulted in overstating the proposal by this amount.

This supplementary report also reflects an adjustment to the budgetary resources listed on the original rescission proposal to: (a) correct an omission of amounts made available by the Continuing Resolution (P.L. 96-536) for the Clinch River Breeder Reactor project (\$122 million), (b) consider the effect of an appropriation transfer of \$14.3 million from this appropriation account to the Energy Supply, Research and Development - Plant and Capital Equipment account, and (c) reflect the transfer of \$534 thousand from the General Administration account to this account for the Assistant Secretary for Nuclear Energy for 14 full-time program employees.

The revised rescission proposal and suggested rescission language attached to this supplementary report reflect these adjustments. In addition, the suggested rescission language has been modified to indicate that no further obligations for direct loans for the Hydropower Feasibility Studies Loan program be made during 1981. This change is being suggested to recognize that direct loans for this program took place prior to proposing this rescission.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency Department of Energy	New budget authority 96-536* \$ <u>2,376,988,000*</u> (P.L. <u>96-367</u>) Other budgetary resources <u>467,040,818*</u> Total budgetary resources <u>2,844,028,818*</u>
Bureau Energy Programs	
Appropriation title & symbol Energy Supply, Research and Development Activities - Operating Expenses 89X0224	
OMB identification code: 89-0224-0-1-271	Amount proposed for rescission \$ <u>126,282,000*</u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification:

Solar \$56,809,000*

This proposed rescission is predicated on the new, healthier environment for commercial solar technologies, brought about by the establishment of sound energy pricing policies, primarily through the decontrol of crude oil prices, and extensive solar tax credits. The inequities and inefficiencies built into previous energy pricing policies have prevented solar energy from achieving its true potential. It is now possible to shift the focus of the Department's solar activities from costly near-term development, demonstration, and commercialization efforts to longer-range research and development projects that are too risky for private firms to undertake. Therefore, funds totaling \$56,809,000 for near-term technology development and commercialization activities are proposed for rescission. The Administration believes that these activities should be pursued by the private sector in response to normal market forces. No reduction is proposed for longer-term, high risk (but potentially high payoff) research and development.

Note*: Additional FY 1981 funds totaling \$34,889,000 are proposed for reprogramming out of the solar energy program and into other programs funded through the Energy Supply, Research and Development Activities, Operating Expenses account.

* Revised from previous report.

Geothermal - \$9,500,000

Confirmation of a viable geopressed resource by well drilling along the Gulf Coast will be slightly delayed while better well sites are selected.

Short-term technology research and development will be phased out for industry to pursue.

Commercialization activities, principally reservoir confirmation drilling, will be reduced in FY 1981 in anticipation of full assumption of these activities by the private sector during FY 1982.

Hydropower - \$24,546,000

It is proposed to terminate feasibility study loans and demonstration grants for small hydropower projects. The program's objective, revitalization of the small hydropower industry in the U.S., has been largely achieved, as evidenced by the tremendous growth of applications at the Federal Energy Regulatory Commission for preliminary permits and licenses. Additionally, sufficient incentives are provided through a 21 percent investment tax credit and through loan programs in the Department of Agriculture.

The termination of the small hydropower feasibility studies and licensing loans should have no overall effect on the level of small hydro project activity although some individual projects could be delayed until they secure other financing. Rescission is also requested for the construction grant funds for the two Nashua, New Hampshire, projects. There is no justification for 100% Federal financing of these projects because the technology is well proven and economically feasible. The effect of the rescission will be that the city of Nashua will have to arrange a general obligation bond issue for financing.

Electric Energy Systems - \$4,115,000

This rescission is requested because the Electric Energy Systems' program is phasing out development and demonstration programs that can and should be supported by the private sector and focusing on longer-term high-risk research.

The estimated effects of this rescission are:

- reduction in Power Delivery activities of \$1.5 million which reduces superconducting technology work and cable designs;
- reduction in System Architecture and Integration activities of \$2.3 million phasing out New Technology Integration planning methods which can be adopted by utilities; and
- reduction of \$0.3 million of carryover funds for program direction which is not needed to support current positions.

Energy Storage Systems - \$19,333,000

Due to the establishment of sound energy pricing policies and other Federal incentives, this program can concentrate on the most promising long term, generic technology developments. The private sector can be expected to pursue promising near-term technologies on their own in response to market forces. Hence, funds for near-term technology development efforts totaling \$19,333,000 are proposed for rescission.

Environment - \$8,979,000Biological and Environmental Research

Funds in the amount of \$3,979,000 are proposed for rescission on the grounds that short-term, site specific chemical characterization and toxicology are areas of applied research more appropriately managed as part of an industrial research, development and commercialization program.

In order to facilitate the commercialization of energy technologies, funds were appropriated for research on the biological and ecological effects of products, effluents, emissions, and wastes from a variety of energy technologies. This research encompasses both longer-term generic investigations and shorter-term, highly-targeted applied research to provide early environmental information for specific processes. New policies being developed to increase the private sector's contribution to technology demonstration dictate that the short-term, focused site specific research activities are an industrial responsibility. The continuing program would emphasize advanced research to understand and define health and environmental impacts of Departmental technology research and development programs. It is estimated that termination of these efforts will not impede near-term commercialization because essential environmental activities to assure regulatory compliance will be required of the industry.

Environmental Assessments

Reduction in funding of \$3,000,000 is proposed due to the elimination of ineffective and duplicative efforts addressed adequately by other offices or agencies.

Energy-related environmental areas affected include nuclear radiation, air quality, water quality and availability, energy facility siting and land management, energy transportation, urban and community impacts, and energy technologies being slated for curtailment. For example, DOE-funded water-for-energy assessments performed by the Water Resources Council will be eliminated as these involve a high degree of duplication of similar efforts required to be performed by DOE under the National Environmental Policy Act. Urban and community impact analyses will be performed by the technology offices which propose projects which have potential urban and community impact.

Environmental and Safety Engineering

Funding of \$1,000,000 is proposed for rescission for environmental control evaluation studies of energy technologies. This reduction is due to the elimination of environmental control evaluations which are unnecessary to formulate energy-related environmental policy judgments, and other evaluations at specific demonstration sites which no longer will be DOE-supported. It is estimated that this reduction will have no effect on the Department's ability to make judgments of the environmental control technology aspects of new energy technologies.

Program Direction

Funds totaling \$1,000,000 are proposed for rescission in Environmental Program Direction as a result of employment reductions related to reductions and redirection of environmental programs. The end-of-year allowable staffing level is being reduced from 234 full-time permanent (FTP) positions to 220 FTP positions. In terms of staff effort, this results in a reduction of 24 staff years from 234 to 210. The reduction of \$1,000,000 assumes an average salary cost of \$41,000.

Technical Assessment Projects - \$3,000,000

Funds in the amount of \$3,000,000 are proposed for rescission from the Advanced Technology Projects program. This will reduce program funding in FY 1981 from \$8,000,000 to \$5,000,000 and will result in termination of near-term projects that the private sector can undertake on its own.

Estimated Effects:*

Near-term development and commercialization of new energy technologies and low priority environmental research and assessments will be eliminated or reduced by a total of \$126,282,000.

Outlay Effects:* (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without</u>	<u>With</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Rescission</u>	<u>Rescission</u>				
2369.4	2262.4	107.0	19.3	--	--

* Revised from previous report.

DEPARTMENT OF ENERGY

Operating Expenses

Energy Supply, Research and Development Activities

Of the funds provided under this head in Public Law 96-367, Public Law 96-69 and Public Law 95-482, \$126,282,000 are rescinded. No further obligations for the principal amount of direct loans for the Hydropower Feasibility Studies Loan Program shall be made during 1981.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-103, transmitted to the Congress on March 17, 1981.

This revision to a rescission proposal for two programs in ACTION reduces the amount previously proposed for rescission for Volunteers in Service to America from \$1,727,000 to \$200,000 and eliminates the \$1,480,000 previously proposed for rescission for Senior Companions. Except for the \$200,000 presently proposed for rescission, the previous rescission proposal included amounts which are not yet available under the current Continuing Resolution (P.L. 96-536), which expires June 5, 1981.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency ACTION	New budget authority (P.L. <u>96-536</u>) \$ <u>113,760,000</u>
Bureau	
Appropriation title & symbol Operating Expenses, Domestic Programs 4410103	Other budgetary resources <u>2,040,000*</u> Total budgetary resources <u>115,800,000*</u>
OMB identification code: 44-0103-0-1-506	Amount proposed for rescission <u>1/</u> \$ <u>200,000*</u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification* Volunteers in Service to America (VISTA) supports full-time volunteers who work with community groups to solve poverty problems.

A reduction is proposed for this program as a part of the Administration's overall plan to reduce spending throughout the Federal government. A revised 1982 request eliminates the expansion of this program which was proposed in the January Budget. This rescission will prevent 1981 expansion toward a 1982 level that is no longer planned.

Estimated Effect*: A savings of \$200,000 will be realized through the reduction of 200 trainees and about 8 volunteer service years from the previously planned level in FY 1981.

Outlay Effect*: (in millions of dollars)

1981 Outlay Estimate		Outlay Savings			
Without Rescission	With Rescission	1981	1982	1983	1984
153.7	153.5	0.2	---	---	---

*Revised from previous report

1/ If an appropriation is made available for the period after the expiration of P.L.-96-536, an additional rescission of funds appropriated under this title will be proposed.

R81-103A

ACTION

Operating Expenses, Domestic Programs

Of the funds provided under this head for ACTION for fiscal year 1981 in Public Law 96-536, \$200,000 are rescinded.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-110 transmitted to the Congress on March 17, 1981.

The National Science Foundation's authorization act for FY 1981 contains a number of minima which should be addressed in the appropriations language effecting the rescission. Revised rescission language to adjust the legislative minima is proposed as part of this supplementary report. If this language change were not made, the Foundation would have to accommodate both the rescission and the legislative minima, which would impose a hardship on individual programs.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency <u>National Science Foundation</u>	New budget authority <u>\$ 987,900,000</u> (P.L. <u>96-526</u>)
Bureau	Other budgetary resources <u>25,000,000</u>
Appropriation title & symbol Research and Related Activities <u>491/20100</u>	Total budgetary resources <u>1,012,900,000</u>
OMB identification code: <u>49-0100-0-1-251</u>	Amount proposed for rescission <u>\$ 66,000,000</u>
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <u>September 30, 1982</u> (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification :

Programs funded from this appropriation support basic and applied research in all scientific disciplines, engineering and related activities. Support is also provided for the U.S. Antarctic Program, International Cooperative Science, and Science Policy Activities.

Programs which are substantially affected by the proposed reductions are those which are narrowly focused or of less immediate priority in meeting the National Science Foundation's major goals and objectives. Less severe reductions are proposed in core programs. However, the adjusted funding levels will not impair the foundation's ability to maintain its support of critical research or its ability to meet statutory responsibilities for the advancement of science.

These reductions are proposed in order to reduce Federal spending.

Estimated Effect :

Research support in the behavioral and neural sciences will be reduced by approximately 13 percent from the planned FY 1981 level; social and economic science programs by 31 percent; industry/university cooperative research projects by 45 percent; the Small Business Innovation Program by 36 percent; University-Based Innovation Centers by 29 percent; 2/4 year college instrumentation support by 42 percent; minority research initiation projects by 6 percent; international science programs by 28 percent; and the Experimental Program to Stimulate Competitive Research by 27 percent. Programs for which all FY 1981 appropriation funding is eliminated are: intergovernmental science programs, the Appropriate Technology Program, Visiting Professorships for Women, National Research Opportunity Grants, and Research Improvement in Minority Institutions.

Programs supporting research in the basic sciences and engineering will be reduced by a total of \$20 million or approximately 2.5 percent.

Outlay Effect: (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without Rescission</u>	<u>With Rescission</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
922.9	901.4	21.5	31.3	13.2	---

NATIONAL SCIENCE FOUNDATION
Research and Related Activities

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (P.L. 96-526), \$66,000,000 are rescinded, and of the amounts remaining for Research and Related Activities under P.L. 96-526, (1) not more than \$18,053,000 shall be available for Earthquake Hazards Mitigation, (2) not more than \$1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers, (3) not more than \$2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing \$35,000 or less, (4) not more than \$300,000 shall be available for Small Business Innovation for projects to aid the handicapped, and (5) not more than \$1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for Appropriate Technology, Science Faculty Improvement Programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-111A transmitted to the Congress on March 17, 1981.

The National Science Foundation's authorization act for FY 1981 contains a number of minima which should be addressed in the appropriations language effecting the rescission. Revised rescission language to adjust the legislative minima is proposed as part of this supplementary report. If this language change were not made, the Foundation would have to accommodate both the rescission and the legislative minima, which would impose a hardship on individual programs.

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

Agency <u>National Science Foundation</u> <hr/> Bureau <hr/> Appropriation title & symbol <u>Science and Engineering Education Activities</u> <u>4910106</u>	New budget authority \$ <u>80,704,000</u> (P.L. <u>96-526</u>) <u>5,000,000</u> Other budgetary resources <u>85,704,000</u> Total budgetary resources
OMB identification code: <u>49-0106-0-1-251</u>	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	

Justification:

This appropriation funds the National Science Foundation's programs to strengthen science education at all academic levels. It includes the programs for scientific personnel improvement, science education resources improvement, science education development and research, and a science education communications program.

Specific reductions in these areas are proposed for programs which are less critical to meeting the major goals and objectives of the Foundation and are being made in order to reduce Federal spending.

Estimated Effect:

The proposed reductions will reduce funding from the planned FY 1981 level by the following percentages: Comprehensive Assistance to Undergraduate Education, 38 percent; Development in Science Education, 56 percent; Research in Science Education, 33 percent; Public Understanding of Science, 25 percent; and the Science for Citizens program, 35 percent. Funding for the Information Dissemination in Science Education program would be eliminated.

Outlay Effect: (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without</u>	<u>With</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Rescission</u>	<u>Rescission</u>				
72.8	58.3	14.5	1.5	---	---

NATIONAL SCIENCE FOUNDATION
Science Education Activities

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (P.L. 96-526), \$16,000,000 are rescinded, and of the amounts remaining for Science Education Activities under P.L. 96-526, (1) not more than \$15,000,000 shall be available for Women and Minorities in Science and Technology activities as provided in Section 39 of P.L. 96-516, and (2) not more than \$1,200,000 shall be available for science education programs related to appropriate technology.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-122, transmitted to the Congress on March 17, 1981.

This revision to a rescission for the Rural Electrification Administration in the Department of Agriculture changes the language previously proposed for the Rural Electrification and Telephone Revolving Fund to make clear that a level of \$125,000,000 is provided for rural telephone loans during 1981.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency Department of Agriculture	Current direct loan limitation \$ <u>1,100,000,000</u> (P.L. <u>96-528</u>)
Bureau Rural Electrification Administration	
Appropriation title & symbol Rural Electrification and Telephone Revolving Fund 12X4230	Other budgetary resources <u>---</u> Total loan limitation <u>1,100,000,000</u>
	Amount proposed for rescission \$ <u>187,000,000</u>
OMB identification code: 12-4230-0-3-271	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority Authority to incur obligations <input checked="" type="checkbox"/> Other <u>for direct loans</u>

Justification:

These proposed actions are based on the fact that REA has largely accomplished its purpose to provide the basic investment capital necessary to provide electric and telephone service in rural areas. More than 99% of all farms and rural establishments now have electric service, and more than 90% have telephone service. The bulk of borrowing is now for power generation and system improvements, costs that could be borne by system users.

Estimated Effects:

The rescission would reduce direct lending to rural telephone systems (\$125 million) and direct lending to rural electric systems for power generation and transmission facilities (\$62 million).

The major reason that these systems have not already converted to using the private sector as a major capital source is the highly favorable term structure--for both the direct and guaranteed lending--offered by REA. As a consequence, the availability of these subsidies reduces the necessity for recipients to improve their financial positions in order to attract private capital.

Taking these actions will result in a dramatic reduction in direct Federal lending. At the same time, rural electric and telephone consumers served by these systems will continue to receive adequate service at rates comparable to those charged to customers of non-REA-financed utilities.

Outlay Effect: The rescission of direct loan authority proposed for this account will have no effect on outlays.

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

Rural Electrification and Telephone Revolving Fund

Loan authorizations provided for the Rural Electrification and Telephone Revolving Fund for fiscal year 1981 in P.L. 96-528, for Section 305 of the Rural Electrification Act of 1936, as amended, are reduced by \$62,000,000 for rural electrification loans and \$125,000,000 for rural telephone loans to provide for a total level of \$788,000,000 for rural electrification loans, and \$125,000,000 for rural telephone loans: Provided, That loans made pursuant to Section 306 of that Act are in addition to these amounts, but during 1981, total commitments to guarantee loans pursuant to Section 306, shall not exceed \$5,145,000,000 of contingent liability for loan principal.

D81-2A

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral No. D81-2 transmitted to the Congress on October 1, 1980.

The amount deferred for Expenses, Brush Disposal in the Forest Service, Department of Agriculture, is \$40,569,894, an increase of \$3,227,894 over the amount previously deferred. This increase is attributable to an increase of \$3,227,894 over the previous estimate of unobligated balances brought forward into FY 1981.

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

Agency Department of Commerce <hr/> Bureau National Oceanic and Atmospheric Administration <hr/> Appropriation title & symbol Promote and Develop Fishery Products and Research Pertaining to American Fisheries 13X5139	New budget authority \$ <u>19,985,204</u> (P.L. <u>96-536</u>) Other budgetary resources <u>-3,840,990</u> <hr/> Total budgetary resources <u>23,826,194</u>
	Amount to be deferred: Part of year \$ <u>5,000,000</u> Entire year <u> </u>
OMB identification code: 13-5139-0-2-376	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other <u> </u>
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year <u> </u> (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other <u> </u>

Justification: The Fisheries Development Program emphasizes promotion of American fishery products, particularly underutilized species, and technology innovation. This program includes \$12 million for grant/cooperative agreements to support fisheries development and utilization projects.

Funds for the fishery development and utilization projects totaling \$5 million are deferred pending congressional action on a request to transfer those funds to the National Oceanic and Atmospheric Administration's Operations, Research and Facilities account to offset supplemental requirements for increased pay costs. The remaining funding is sufficient to carry out an effective fisheries program.

This deferral action and the associated transfer request will help reduce Federal spending in accordance with the President's overall economic recovery program.

Estimated Effect: This deferral action will preserve these funds pending congressional action on the transfer request.

Outlay Effect: This deferral has no significant effect on outlays.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral No. D81-33A, transmitted to the Congress on March 10, 1981.

This revision to a deferral for fossil energy construction funds in the Department of Energy revises the coverage of the deferral to indicate that the entire amount deferred is for the SRC II project. The \$42,000,000 originally reported in D81-33 for High Btu Pipeline Gas Demonstration Plants is no longer included in this deferral action, and has been proposed for rescission (R81-64). The amount currently deferred for fossil energy construction is \$100,000,000, \$105,000,000 less than the amount reported in Deferral D81-33A. The release of these previously-deferred funds reflects a reestimation of the funds needed in 1981 to maintain certain project-related activities until consultations with participating foreign governments can be completed.

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

Agency Department of Energy	New budget authority <u>\$423,300,000</u> (P.L. <u>96-514</u>)
Bureau Energy Programs	Other budgetary resources <u>162,706,000</u>
Appropriation title & symbol	Total budgetary resources <u>586,006,000</u>
Fossil Energy Construction <u>1/</u> 89X0214	Amount to be deferred: Part of year \$ _____ Entire year <u>100,000,000*</u>
OMB identification code: 89-0214-0-1-271	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	

Justification:* Under the Administration's synthetic fuels policy all funding for fossil energy demonstration projects currently being supported in the Department of Energy would be terminated and project sponsors would be encouraged to seek financial support from the Synthetic Fuels Corporation (SFC), either as synthetic fuel projects or as synthetic fuel "project modules." The Administration has proposed rescissions for these demonstration projects. In the case of the SRC II coal liquefaction plant, no rescission can be proposed until consultations with the international participants in this project have been completed. However, \$100 million in construction funds not needed in FY 1981 are deferred pending completion of these consultations.

Estimated Effect: This deferral of FY 1981 construction funds will have no effect on the completion of the detailed design currently scheduled for completion in 1983 or the completion and final decision on the required environmental impact statement for this project. Some construction phase activities (e.g. long lead procurement) will be delayed pending conclusion of international consultations and possible consideration of this project by the SFC.

Outlay Effects:* This deferral action will have the effect of shifting \$30 million in FY 1981 outlays into FY 1982.

* Revised from previous report.

1/ This account is also the subject of a rescission proposal (R81-64).

SUPPLEMENTARY REPORT

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

This report revises Deferral No. D81-11, transmitted to the Congress on October 1, 1980.

This revision of a deferral for the Scientific Activities Overseas Program of the Department of Health and Human Services increases the previously reported deferral from \$8,000,000 to \$9,118,281. This increase of \$1,118,281 results from a higher level of unobligated balances actually brought forward into FY 1981 than previously estimated.

Deferral No: D81-11A

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

Agency Department of Health and Human Services	New budget authority \$ _____ (P.L. _____)
Bureau Office of Assistant Secretary for Health	Other budgetary resources <u>18,118,281*</u>
Appropriation title & symbol Scientific Activities Overseas (Special Foreign Currency Program) <u>1/</u> 75X1102	Total budgetary resources <u>18,118,281*</u>
OMB identification code: 75-1102-0-1-552	Amount to be deferred: Part of year \$ _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Entire year <u>9,118,281*</u>
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: The Scientific activities overseas program of the Department of Health and Human Services (HHS) is funded with appropriations which consist of excess foreign currencies owned by the United States. Currencies of Egypt, Burma, Guinea, India, and Pakistan held by the Treasury have been designated as in excess of normal U.S. needs. Funds for this program, which remain available until expended, are used for scientific research projects in those countries.

The amount of funds to be obligated during FY 1981 and the amount to be deferred for the entire year were determined after a careful review of the scientific merit of project proposals in the countries for which excess currency is available. The research projects in those countries that will contribute toward meeting U.S. scientific needs have been selected for funding in FY 1981 by HHS. The amount being deferred is excess to current program requirements and is being reserved for contingencies under provisions of the Antideficiency Act (31 U.S.C. 665).

Estimated Effect: This deferral has no programmatic or budgetary effect because the funds would not be obligated if made available.

Outlay Effect: This deferral action has no effect on outlays.

1/ This account was the subject of a similar deferral in FY 1980 (D80-43).

* Revised from previous report.

SUPPLEMENTARY REPORT

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

This report revises Deferral No. D81-89, transmitted to the Congress on March 10, 1981.

This revision reports a change in the amount deferred. In the previous report, \$16 million was estimated as the total of 1981 obligations made at the time the program was stopped and the deferral action was taken. The revised estimate of obligations is \$19.8 million, necessitating a downward adjustment of the amount deferred from \$21.5 million to \$17.7 million.

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

Agency Department of Transportation	New budget authority (P.L. <u>95-599</u>)	\$ <u>25,000,000</u>
Bureau Federal Highway Administration	Other budgetary resources P.L. 96-400	<u>65,358,177</u> <u>-52,858,177</u>
Appropriation title & symbol Trust Fund Share of Other Highway Programs	Total budgetary resources	<u>37,500,000</u> <u>2</u>
69X8009**	Amount to be deferred: Part of year	\$ _____
	Entire year	<u>17,734,727</u> *
OMB identification code: <u>68-8009-0-7-401</u>	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act	
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <input type="checkbox"/> No-year	Type of budget authority: <input type="checkbox"/> Appropriation <input checked="" type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	
Sept. 30, 1981 <u>1</u> / Sept. 30, 1982 (expiration date) Sept. 30, 1983 Sept. 30, 1984		

Justification: *

Section 129 of the Federal-Aid Highway Act of 1973 authorized the Secretary to establish criteria for the location and construction or reconstruction of a National Scenic and Recreational Highway designated as the Great River Road. A single continuous route was designated which runs through all ten States bordering the Mississippi River.

The Surface Transportation Assistance Act of 1978 provides authorizations of \$10 million in general funds and \$25 million in Highway Trust Funds for each of the fiscal years 1979 through 1982. The general fund authorizations require an appropriation to become available. The trust fund authorizations are contract authority and become available on the first day of the fiscal year for which authorized. Current budgetary resources for FY 1981 total \$90.4 million, all of which is against trust fund authority. This consists of \$25 million of new authority for FY 1981 plus \$65.4 million in unobligated balances from prior year authorizations. Section 311 of the Department of Transportation and Related Agencies Appropriations Act, 1981 (P.L. 96-400) limits FY 1981 obligations to \$37.5 million.

All segments of the Great River Road other than access spurs have been designated as being on the Federal-aid System and may be improved using regular Federal-aid funds. The discrete Great River Road program is duplicative and unnecessary.

All unobligated balances remaining available as of March 10, 1981, are deferred. Effective upon that date, all obligational activity was suspended and will remain so through the remainder of this fiscal year. Obligations through this date total \$19.8 million leaving an unobligated balance of \$17.7 million under the obligation limitation. This is the amount being deferred.

This deferral action is an integral component of the President's economic program announced on February 18. The withholding of obligational authority for this program for the remainder of FY 1981 will assist in reducing Federal spending.

Estimated Effects:* The deferral of \$17.7 million in FY 1981 will cause some or all of the ten States eligible for funding under this program to delay or cancel highway projects planned for the remainder of this fiscal year. However, virtually all of these projects are eligible for funding under the regular Federal-aid Highways program.

Outlay Effects:* This deferral action will shift an estimated \$5.7 million in FY 1981 outlays into FY 1982.

* Revised from previous report.

** While each portion of contract authority is available for four years, the appropriations to liquidate the contract authority are available until expended.

1/ None of these funds is deferred.

2/ This amount is the portion of "Trust Fund Share of Other Highway Programs" made available for the Great River Road. Total funds available to the "Trust Fund Share of Other Highway Programs" are \$76,846,595.

Deferral No: _____

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

Agency Board for International Broadcasting Bureau _____ Appropriation title & symbol <p style="text-align: center;">Grants and Expenses 9511145</p>	New budget authority \$93,905,325 ^{1/} (P.L. 96-536) Other budgetary resources 1,554,772 Total budgetary resources 95,460,097
OMB identification code: 95-1145-0-1-154	Amount to be deferred: Part of year \$ 1,370,420 Entire year _____
Grant program <input type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input checked="" type="checkbox"/> Other 22 U.S.C. 2871-2877
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: The Board for International Broadcasting is authorized by the Board for International Broadcasting Act of 1973 (22 U.S.C. 2871-2877) to provide assistance to Radio Free Europe/Radio Liberty Inc. (RFE/RL), a private non-profit radio broadcasting organization. Section 8(b) of the Act states "The Director of the Office of Management and Budget shall place in reserve and inform the Congress of any amount appropriated under this section which, because of upward fluctuations in foreign currency exchange rates, is in excess of the amount necessary to maintain the budget level of operation for RFE/RL, Incorporated."

Public Law No. 96-536 appropriated to the Board for 1981, \$99,700,000. The Board, in accordance with regulations established jointly by the Board and the Office of Management and Budget, reported that as of the end of the first quarter of 1981 the net currency exchange gains totaled \$1,370,420. Therefore, funds totaling \$1.4 million are deferred. These funds will be used to offset any currency exchange losses occurring later in the year. If no losses are experienced, the funds will be proposed for rescission at a later date.

This deferral action is taken in accordance with the International Broadcasting Act of 1973, and the Antideficiency Act (31 U.S.C. 665).

Estimated Effects

No programmatic effect results from this deferral since planned program levels of Radio Free Europe/Radio Liberty will be maintained in 1981.

Outlay Effect

If there are no exchange rate losses in the remainder of 1981, the reported exchange rate gains and resulting deferral will reduce outlays by \$1.4 million while maintaining current program. These outlay savings will be offset by the amount of any exchange rate losses.

1/In addition \$5,794,674 is not available pursuant to P.L. 94-350 and 96-536.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral D81-76 transmitted to the Congress on February 13, 1981.

The amount deferred for Acquisition and Construction of Radio Facilities, International Communication Agency is \$13,325,600, an increase of \$12,073,600 over the amount previously deferred. This increase is attributable primarily to project delays caused by the opportunity to place new Voice of America transmitters in different, and technically more advantageous, locations than were originally planned.

Estimated Effects:* Because of the project changes noted above, the amount deferred could not be obligated before fiscal year 1982. Therefore, no programmatic effects will result from the deferral action.

Outlay Effects:* There is no outlay effect of this deferral, because the funds would not be obligated if made available.

* Revised from previous report

1981 Special Msg Under the Impoundment
Control Act of 1974

To Collsp. 4/23/81 4:30pm

THE WHITE HOUSE
WASHINGTON

STAFFING MEMORANDUM

DATE: _____ ACTION/CONCURRENCE/COMMENT DUE BY: _____

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	NOFZIGER	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	CANZERI	<input type="checkbox"/>	<input type="checkbox"/>
ALLEN	<input type="checkbox"/>	<input type="checkbox"/>	FULLER (<i>For Cabinet</i>)	<input type="checkbox"/>	<input type="checkbox"/>
ANDERSON	<input type="checkbox"/>	<input type="checkbox"/>	HICKEY	<input type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input type="checkbox"/>	HODSOLL	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	MC COY	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
FRIEDERSDORF	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GARRICK	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GERGEN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HARPER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

Richard G. Darman
Deputy Assistant to the President
and Staff Secretary
(x-2702)



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

APR 23 1981

MEMORANDUM FOR: THE PRESIDENT

FROM: David A. Stockman *DAS*

SUBJECT: 1981 Special Message Under the Impoundment Control Act of 1974

A special message to the Congress under the Impoundment Control Act of 1974 is attached for your signature.

This special message contains:

- Revisions to three rescissions involving programs in the Rural Electrification Administration, the Department of Energy, and ACTION which result in a net reduction of \$3.7 million in the amount proposed for rescission. These are necessary technical corrections.
- Revisions to appropriation language for two rescission proposals for the National Science Foundation and for a proposal to rescind loan authority in the Rural Electrification Administration. These revisions are technical corrections of the language and do not affect the amounts proposed for rescission.
- New deferrals of \$5.0 million for the National Oceanic and Atmospheric Administration in the Department of Commerce, and \$1.4 million for the Board for International Broadcasting.
- Revisions to three deferrals for programs in the Departments of Agriculture and Health and Human Services, and the International Communication Agency to report increases in deferred amounts totaling \$16.4 million.
- Two technical revisions to deferrals involving a change in the application of a Department of Energy deferral, and a reestimation of obligations that had been reported earlier in a deferral for the Department of Transportation.

Analysis of Budget Costs

The effect of the actions taken in this special message on outlays is as follows:

(in millions of dollars)

1981	1982	1983	1984
<u>+1.9</u>	<u>+1.5</u>	<u>+0.2</u>	<u>---</u>

Recommendation

I recommend that this special message be transmitted to the Congress as soon as possible.

Attachment

Draft

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith report six revisions to previously transmitted rescission proposals. Three of the revisions decrease the total amount proposed for rescission by \$3.7 million. The other revisions to proposed rescissions make technical changes to appropriation language which do not affect the amounts proposed for rescission. In addition, I am reporting two new deferrals totaling \$6.4 million and revisions to five previously reported deferrals.

The revisions to rescission proposals affect programs in the Departments of Agriculture and Energy, as well as ACTION and the National Science Foundation. The new deferrals and revisions to existing deferrals involve programs in the Departments of Agriculture, Commerce, Energy, Health and Human Services, and Transportation, as well as the Board for International Broadcasting and the International Communication Agency.

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

THE WHITE HOUSE,

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

<u>Rescission#</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Agriculture	
	Rural Electrification Administration	
R31-45A	Rural communication development fund.....	16,000
	Department of Energy	
	Energy Programs	
R31-130A	Energy supply, research and development activities - operating expenses.....	126,232
	Other Independent Agencies	
	ACTION	
R31-103A	Operating expenses, domestic programs.....	200
	National Science Foundation	
R31-110A	Research and related activities.....	66,000
R31-111A	Science and engineering education activities....	<u>16,000</u>
	Subtotal, rescission proposals....	224,432

Rescission of Authority to Incur Obligations for Direct Loans:

	Off-Budget Federal Entities:	
	Department of Agriculture	
	Rural Electrification Administration	
R31-122A	Rural electrification and telephone revolving fund.....	<u>137,000</u>
	Subtotal, rescission of loan authority.....	137,000

<u>Deferral #</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Agriculture	
	Forest Service	
D31-2A	Expenses, brush disposal.....	40,570
	Department of Commerce	
	National Oceanic and Atmospheric Administration	
D31-105	Promote and develop fishery products and research pertaining to American fisheries.....	5,000
	Department of Energy	
	Energy Programs	
D31-33B	Fossil energy construction.....	100,000

<u>Deferral #</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Health and Human Services	
	Office of Assistant Secretary for Health	
D31-11A	Scientific activities overseas (special foreign currency program).....	9,118
	Department of Transportation	
	Federal Highway Administration	
D31-39A	Trust fund share of other highway programs.....	17,735
	Other Independent Agencies	
	Board for International Broadcasting	
D31-106	Grants and expenses.....	1,370
	International Communication Agency	
D31-76A	Acquisition and construction of radio facilities	<u>13,326</u>
	Subtotal, deferrals.....	197,119
	Total, rescission proposals and deferrals.....	593,601

SUMMARY OF SPECIAL MESSAGES
FOR FY 1981

(in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Ninth special message:		
New items.....	---	6,370
Change to amounts previously submitted.....	-3,675	16,420
Effect of ninth special message.....	-3,675	22,790
Previous special messages.....	<u>14,757,545</u>	<u>8,585,187</u> a/
Total amount proposed in special messages.....	14,753,870 ^{b/}	8,607,977 ^{c/}

^{a/} This amount has been adjusted downward by \$5 thousand to correct a discrepancy in a previous special message.

^{b/} This amount represents budget authority except for \$751,800 thousand involving authority to incur obligations for direct loans.

^{c/} This amount represents budget authority except for \$61,756 thousand involving the deferral of outlays only (D81-19B).

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-45, transmitted to the Congress on March 17, 1981.

The amount currently proposed for rescission for the Rural Communication Development Fund of the Rural Electrification Administration is \$16,000,000, rather than \$16,341,000 as originally proposed. This decrease of \$341,000 from the original proposal is being made to reflect elimination from the rescission proposal of funding related to estimated interest expenses. In the absence of this proposal, interest expenses for the program would have been funded using permanent indefinite authority to borrow. If the proposal is accepted by the Congress, these expenses would not be incurred and this authority to borrow would not be used for this program.

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

Agency Department of Agriculture <hr/> Bureau Rural Electrification Administration <hr/> Appropriation title & symbol Rural Communication Development Fund 12X4142	New budget authority \$ 34,000,000* (P.L. 96-528) Other budgetary resources 1,180,000* <hr/> Total budgetary resources 35,180,000* <hr/> Amount proposed for rescission \$ 16,000,000*
OMB identification code: 12-4142-0-3-452 <hr/> Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input checked="" type="checkbox"/> Other Authority to Borrow

Justification: This fund is used to make or guarantee loans for community antenna television services or facilities. The Administration believes that it is more appropriate for the private sector to fund this activity. This rescission proposal is part of the Administration's effort to combat inflation. It has been determined that this reduction can be made without adversely affecting human health and safety or other critical needs. Also, it is believed that sufficient capital will be available from the private sector to fund this activity.

Estimated Effects:* The proposed rescission would reduce the amount of insured Community Antenna Television Facility loans from \$31.4 million to \$15.4 million.

Outlay Effect:* (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without</u>	<u>With</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Rescission</u>	<u>Rescission</u>	<u>6.8</u>	<u>9.2</u>	<u>---</u>	<u>---</u>
18.9	12.1				

* Revised from previous report.

R81-45A

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

Rural Communication Development Fund

Of the loan levels authorized under this head in P.L. 96-528, making appropriations for fiscal year 1981, \$16,000,000 are rescinded.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-130 transmitted to the Congress on March 19, 1981.

This revision decreases the amount proposed for rescission from \$126,609,000 to \$126,282,000. This decrease of \$327,000 reflects a technical adjustment to the amount proposed for rescission for solar programs from \$57,136,000 to \$56,809,000. This change corrects an error made in the computation of amounts available for rescission that resulted in overstating the proposal by this amount.

This supplementary report also reflects an adjustment to the budgetary resources listed on the original rescission proposal to: (a) correct an omission of amounts made available by the Continuing Resolution (P.L. 96-536) for the Clinch River Breeder Reactor project (\$122 million), (b) consider the effect of an appropriation transfer of \$14.3 million from this appropriation account to the Energy Supply, Research and Development - Plant and Capital Equipment account, and (c) reflect the transfer of \$534 thousand from the General Administration account to this account for the Assistant Secretary for Nuclear Energy for 14 full-time program employees.

The revised rescission proposal and suggested rescission language attached to this supplementary report reflect these adjustments. In addition, the suggested rescission language has been modified to indicate that no further obligations for direct loans for the Hydropower Feasibility Studies Loan program be made during 1981. This change is being suggested to recognize that direct loans for this program took place prior to proposing this rescission.

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

Agency Department of Energy <hr/> Bureau Energy Programs <hr/> Appropriation title & symbol Energy Supply, Research and Development Activities - Operating Expenses 89X0224	New budget authority 96-536* \$ <u>2,376,988,000*</u> (P.L. <u>96-367</u>) Other budgetary resources <u>467,040,818*</u> Total budgetary resources <u>2,844,028,818*</u> <hr/> Amount proposed for rescission \$ <u>126,282,000*</u>
OMB identification code: 89-0224-0-1-271	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	

Justification:

Solar \$56,809,000*

This proposed rescission is predicated on the new, healthier environment for commercial solar technologies, brought about by the establishment of sound energy pricing policies, primarily through the decontrol of crude oil prices, and extensive solar tax credits. The inequities and inefficiencies built into previous energy pricing policies have prevented solar energy from achieving its true potential. It is now possible to shift the focus of the Department's solar activities from costly near-term development, demonstration, and commercialization efforts to longer-range research and development projects that are too risky for private firms to undertake. Therefore, funds totaling \$56,809,000 for near-term technology development and commercialization activities are proposed for rescission. The Administration believes that these activities should be pursued by the private sector in response to normal market forces. No reduction is proposed for longer-term, high risk (but potentially high payoff) research and development.

Note*: Additional FY 1981 funds totaling \$34,889,000 are proposed for reprogramming out of the solar energy program and into other programs funded through the Energy Supply, Research and Development Activities, Operating Expenses account.

* Revised from previous report.

Geothermal - \$9,500,000

2

Confirmation of a viable geopressured resource by well drilling along the Gulf Coast will be slightly delayed while better well sites are selected.

Short-term technology research and development will be phased out for industry to pursue.

Commercialization activities, principally reservoir confirmation drilling, will be reduced in FY 1981 in anticipation of full assumption of these activities by the private sector during FY 1982.

Hydropower - \$24,546,000

It is proposed to terminate feasibility study loans and demonstration grants for small hydropower projects. The program's objective, revitalization of the small hydropower industry in the U.S., has been largely achieved, as evidenced by the tremendous growth of applications at the Federal Energy Regulatory Commission for preliminary permits and licenses. Additionally, sufficient incentives are provided through a 21 percent investment tax credit and through loan programs in the Department of Agriculture.

The termination of the small hydropower feasibility studies and licensing loans should have no overall effect on the level of small hydro project activity although some individual projects could be delayed until they secure other financing. Rescission is also requested for the construction grant funds for the two Nashua, New Hampshire, projects. There is no justification for 100% Federal financing of these projects because the technology is well proven and economically feasible. The effect of the rescission will be that the city of Nashua will have to arrange a general obligation bond issue for financing.

Electric Energy Systems - \$4,115,000

This rescission is requested because the Electric Energy Systems' program is phasing out development and demonstration programs that can and should be supported by the private sector and focusing on longer-term high-risk research.

The estimated effects of this rescission are:

- reduction in Power Delivery activities of \$1.5 million which reduces superconducting technology work and cable designs;
- reduction in System Architecture and Integration activities of \$2.3 million phasing out New Technology Integration planning methods which can be adopted by utilities; and
- reduction of \$0.3 million of carryover funds for program direction which is not needed to support current positions.

Energy Storage Systems - \$19,333,000

Due to the establishment of sound energy pricing policies and other Federal incentives, this program can concentrate on the most promising long term, generic technology developments. The private sector can be expected to pursue promising near-term technologies on their own in response to market forces. Hence, funds for near-term technology development efforts totaling \$19,333,000 are proposed for rescission.

Biological and Environmental Research

Funds in the amount of \$3,979,000 are proposed for rescission on the grounds that short-term, site specific chemical characterization and toxicology are areas of applied research more appropriately managed as part of an industrial research, development and commercialization program.

In order to facilitate the commercialization of energy technologies, funds were appropriated for research on the biological and ecological effects of products, effluents, emissions, and wastes from a variety of energy technologies. This research encompasses both longer-term generic investigations and shorter-term, highly-targeted applied research to provide early environmental information for specific processes. New policies being developed to increase the private sector's contribution to technology demonstration dictate that the short-term, focused site specific research activities are an industrial responsibility. The continuing program would emphasize advanced research to understand and define health and environmental impacts of Departmental technology research and development programs. It is estimated that termination of these efforts will not impede near-term commercialization because essential environmental activities to assure regulatory compliance will be required of the industry.

Environmental Assessments

Reduction in funding of \$3,000,000 is proposed due to the elimination of ineffective and duplicative efforts addressed adequately by other offices or agencies.

Energy-related environmental areas affected include nuclear radiation, air quality, water quality and availability, energy facility siting and land management, energy transportation, urban and community impacts, and energy technologies being slated for curtailment. For example, DOE-funded water-for-energy assessments performed by the Water Resources Council will be eliminated as these involve a high degree of duplication of similar efforts required to be performed by DOE under the National Environmental Policy Act. Urban and community impact analyses will be performed by the technology offices which propose projects which have potential urban and community impact.

Environmental and Safety Engineering

Funding of \$1,000,000 is proposed for rescission for environmental control evaluation studies of energy technologies. This reduction is due to the elimination of environmental control evaluations which are unnecessary to formulate energy-related environmental policy judgments, and other evaluations at specific demonstration sites which no longer will be DOE-supported. It is estimated that this reduction will have no effect on the Department's ability to make judgments of the environmental control technology aspects of new energy technologies.

Program Direction

Funds totaling \$1,000,000 are proposed for rescission in Environmental Program Direction as a result of employment reductions related to reductions and redirection of environmental programs. The end-of-year allowable staffing level is being reduced from 234 full-time permanent (FTP) positions to 220 FTP positions. In terms of staff effort, this results in a reduction of 24 staff years from 234 to 210. The reduction of \$1,000,000 assumes an average salary cost of \$41,000.

Technical Assessment Projects - \$3,000,000

Funds in the amount of \$3,000,000 are proposed for rescission from the Advanced Technology Projects program. This will reduce program funding in FY 1981 from \$8,000,000 to \$5,000,000 and will result in termination of near-term projects that the private sector can undertake on its own.

Estimated Effects:*

Near-term development and commercialization of new energy technologies and low priority environmental research and assessments will be eliminated or reduced by a total of \$126,282,000.

Outlay Effects:* (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without</u>	<u>With</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
<u>Rescission</u>	<u>Rescission</u>				
2369.4	2262.4	107.0	19.3	--	--

* Revised from previous report.

DEPARTMENT OF ENERGY

Operating Expenses

Energy Supply, Research and Development Activities

Of the funds provided under this head in Public Law 96-367, Public Law 96-69 and Public Law 95-482, \$126,282,000 are rescinded. No further obligations for the principal amount of direct loans for the Hydropower Feasibility Studies Loan Program shall be made during 1981.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-103, transmitted to the Congress on March 17, 1981.

This revision to a rescission proposal for two programs in ACTION reduces the amount previously proposed for rescission for Volunteers in Service to America from \$1,727,000 to \$200,000 and eliminates the \$1,480,000 previously proposed for rescission for Senior Companions. Except for the \$200,000 presently proposed for rescission, the previous rescission proposal included amounts which are not yet available under the current Continuing Resolution (P.L. 96-536), which expires June 5, 1981.

ACTION

Operating Expenses, Domestic Programs

Of the funds provided under this head for ACTION for fiscal year 1981 in Public Law 96-536, \$200,000 are rescinded.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-110 transmitted to the Congress on March 17, 1981.

The National Science Foundation's authorization act for FY 1981 contains a number of minima which should be addressed in the appropriations language effecting the rescission. Revised rescission language to adjust the legislative minima is proposed as part of this supplementary report. If this language change were not made, the Foundation would have to accommodate both the rescission and the legislative minima, which would impose a hardship on individual programs.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency <u>National Science Foundation</u>	New budget authority <u>\$ 987,900,000</u> (P.L. <u>96-526</u>)
Bureau	Other budgetary resources <u>25,000,000</u>
Appropriation title & symbol Research and Related Activities <u>491/20100</u>	Total budgetary resources <u>1,012,900,000</u>
OMB identification code: <u>49-0100-0-1-251</u>	Amount proposed for rescission <u>\$ 66,000,000</u>
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <u>September 30, 1982</u> (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification :

Programs funded from this appropriation support basic and applied research in all scientific disciplines, engineering and related activities. Support is also provided for the U.S. Antarctic Program, International Cooperative Science, and Science Policy Activities.

Programs which are substantially affected by the proposed reductions are those which are narrowly focused or of less immediate priority in meeting the National Science Foundation's major goals and objectives. Less severe reductions are proposed in core programs. However, the adjusted funding levels will not impair the foundation's ability to maintain its support of critical research or its ability to meet statutory responsibilities for the advancement of science.

These reductions are proposed in order to reduce Federal spending.

Estimated Effect :

Research support in the behavioral and neural sciences will be reduced by approximately 13 percent from the planned FY 1981 level; social and economic science programs by 31 percent; industry/university cooperative research projects by 45 percent; the Small Business Innovation Program by 36 percent; University-Based Innovation Centers by 29 percent; 2/4 year college instrumentation support by 42 percent; minority research initiation projects by 6 percent; international science programs by 28 percent; and the Experimental Program to Stimulate Competitive Research by 27 percent. Programs for which all FY 1981 appropriation funding is eliminated are: intergovernmental science programs, the Appropriate Technology Program, Visiting Professorships for Women, National Research Opportunity Grants, and Research Improvement in Minority Institutions.

Programs supporting research in the basic sciences and engineering will be reduced by a total of \$20 million or approximately 2.5 percent.

Outlay Effect: (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without Rescission</u>	<u>With Rescission</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
922.9	901.4	21.5	31.3	13.2	---

NATIONAL SCIENCE FOUNDATION
Research and Related Activities

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (P.L. 96-526), \$66,000,000 are rescinded, and of the amounts remaining for Research and Related Activities under P.L. 96-526, (1) not more than \$18,053,000 shall be available for Earthquake Hazards Mitigation, (2) not more than \$1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers, (3) not more than \$2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing \$35,000 or less, (4) not more than \$300,000 shall be available for Small Business Innovation for projects to aid the handicapped, and (5) not more than \$1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for Appropriate Technology, Science Faculty Improvement Programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-111A transmitted to the Congress on March 17, 1981.

The National Science Foundation's authorization act for FY 1981 contains a number of minima which should be addressed in the appropriations language effecting the rescission. Revised rescission language to adjust the legislative minima is proposed as part of this supplementary report. If this language change were not made, the Foundation would have to accommodate both the rescission and the legislative minima, which would impose a hardship on individual programs.

PROPOSED RESCISSION OF BUDGET AUTHORITY

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

Agency National Science Foundation	New budget authority (P.L. <u>96-526</u>)	\$ 80,704,000
Bureau	Other budgetary resources	5,000,000
Appropriation title & symbol Science and Engineering Education Activities 4910106	Total budgetary resources	85,704,000
OMB identification code: 49-0106-0-1-251	Amount proposed for rescission	\$ 16,000,000
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____	
Type of account or fund: <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____	

Justification:

This appropriation funds the National Science Foundation's programs to strengthen science education at all academic levels. It includes the programs for scientific personnel improvement, science education resources improvement, science education development and research, and a science education communications program.

Specific reductions in these areas are proposed for programs which are less critical to meeting the major goals and objectives of the Foundation and are being made in order to reduce Federal spending.

Estimated Effect:

The proposed reductions will reduce funding from the planned FY 1981 level by the following percentages: Comprehensive Assistance to Undergraduate Education, 38 percent; Development in Science Education, 56 percent; Research in Science Education, 33 percent; Public Understanding of Science, 25 percent; and the Science for Citizens program, 35 percent. Funding for the Information Dissemination in Science Education program would be eliminated.

Outlay Effect: (in millions of dollars)

<u>1981 Outlay Estimate</u>		<u>Outlay Savings</u>			
<u>Without Rescission</u>	<u>With Rescission</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
72.8	58.3	14.5	1.5	---	---

NATIONAL SCIENCE FOUNDATION
Science Education Activities

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (P.L. 96-526), \$16,000,000 are rescinded, and of the amounts remaining for Science Education Activities under P.L. 96-526, (1) not more than \$15,000,000 shall be available for Women and Minorities in Science and Technology activities as provided in Section 39 of P.L. 96-516, and (2) not more than \$1,200,000 shall be available for science education programs related to appropriate technology.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Rescission No. R81-122, transmitted to the Congress on March 17, 1981.

This revision to a rescission for the Rural Electrification Administration in the Department of Agriculture changes the language previously proposed for the Rural Electrification and Telephone Revolving Fund to make clear that a level of \$125,000,000 is provided for rural telephone loans during 1981.

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

Agency Department of Agriculture <hr/> Bureau Rural Electrification Administration <hr/> Appropriation title & symbol Rural Electrification and Telephone Revolving Fund 12X4230	Current direct loan limitation \$ <u>1,100,000,000</u> (P.L. <u>96-528</u>) <hr/> Other budgetary resources <u>---</u> <hr/> Total loan limitation <u>1,100,000,000</u> <hr/> Amount proposed for rescission \$ <u>187,000,000</u>
OMB identification code: 12-4230-0-3-271	Legal authority (in addition to sec. 1012): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Type of budget authority: <input type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority Authority to incur obligations <input checked="" type="checkbox"/> Other <u>for direct loans</u>
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	

Justification:

These proposed actions are based on the fact that REA has largely accomplished its purpose to provide the basic investment capital necessary to provide electric and telephone service in rural areas. More than 99% of all farms and rural establishments now have electric service, and more than 90% have telephone service. The bulk of borrowing is now for power generation and system improvements, costs that could be borne by system users.

Estimated Effects:

The rescission would reduce direct lending to rural telephone systems (\$125 million) and direct lending to rural electric systems for power generation and transmission facilities (\$62 million).

The major reason that these systems have not already converted to using the private sector as a major capital source is the highly favorable term structure--for both the direct and guaranteed lending--offered by REA. As a consequence, the availability of these subsidies reduces the necessity for recipients to improve their financial positions in order to attract private capital.

Taking these actions will result in a dramatic reduction in direct Federal lending. At the same time, rural electric and telephone consumers served by these systems will continue to receive adequate service at rates comparable to those charged to customers of non-REA-financed utilities.

Outlay Effect: The rescission of direct loan authority proposed for this account will have no effect on outlays.

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

Rural Electrification and Telephone Revolving Fund

Loan authorizations provided for the Rural Electrification and Telephone Revolving Fund for fiscal year 1981 in P.L. 96-528, for Section 305 of the Rural Electrification Act of 1936, as amended, are reduced by \$62,000,000 for rural electrification loans and \$125,000,000 for rural telephone loans to provide for a total level of \$788,000,000 for rural electrification loans, and \$125,000,000 for rural telephone loans: Provided, That loans made pursuant to Section 306 of that Act are in addition to these amounts, but during 1981, total commitments to guarantee loans pursuant to Section 306, shall not exceed \$5,145,000,000 of contingent liability for loan principal.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral No. D81-2 transmitted to the Congress on October 1, 1980.

The amount deferred for Expenses, Brush Disposal in the Forest Service, Department of Agriculture, is \$40,569,894, an increase of \$3,227,894 over the amount previously deferred. This increase is attributable to an increase of \$3,227,894 over the previous estimate of unobligated balances brought forward into FY 1981.

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

Agency Department of Agriculture	New budget authority \$ <u>41,272,000*</u> (P.L. <u>84-190</u>)
Bureau Forest Service	
Appropriation title & symbol	Other budgetary resources <u>48,267,894*</u>
Expenses, Brush Disposal, <u>1/</u> 12X5206	Total budgetary resources <u>89,539,894*</u>
	Amount to be deferred: Part of year \$ _____ Entire year <u>40,569,894*</u>
OMB identification code: 12-9922-0-2-302	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	

Justification:* Purchasers of National Forest timber deposit the estimated cost to the Forest Service for disposing of brush and other debris resulting from their cutting operations pursuant to P.L. 84-190. The deposits becoming available in the current year are estimated and the related disposal operations are planned for the following year. Efficient program planning and accomplishment is facilitated by operating a stable program well within the funds available in any one year for this purpose.

An apportionment of \$49.0 million has been made to the Forest Service for this program in 1981 compared with \$46.0 million in 1980 and \$44.5 million in 1979. The current fiscal year reserve of \$40.6 million was established pursuant to the Antideficiency Act (31 USC 665) as a reserve for contingencies.

Disposal operations related to deposits made during certain periods of the year cannot be initiated until weather conditions permit. Thus seasonal factors frequently require deferring the use of deposits until the following fiscal year.

Estimated Effects: There are no programmatic or budgetary effects that result from this action. Rather, the reserve merely reflects the seasonal nature of program funding requirements.

Outlay Effect: This deferral has no effect on outlays.

1/ This account was the subject of a similar deferral in FY 1980 (D80-3A).

* Revised from previous report.

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

Agency Department of Commerce	New budget authority \$ 19,985,204 (P.L. 96-536)
Bureau National Oceanic and Atmospheric Administration	Other budgetary resources 3,840,990
Appropriation title & symbol Promote and Develop Fishery Products and Research Pertaining to American Fisheries 13X5139	Total budgetary resources 23,826,194
OMB identification code: 13-5139-0-2-376	Amount to be deferred: Part of year \$ 5,000,000 Entire year _____
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: The Fisheries Development Program emphasizes promotion of American fishery products, particularly underutilized species, and technology innovation. This program includes \$12 million for grant/cooperative agreements to support fisheries development and utilization projects.

Funds for the fishery development and utilization projects totaling \$5 million are deferred pending congressional action on a request to transfer those funds to the National Oceanic and Atmospheric Administration's Operations, Research and Facilities account to offset supplemental requirements for increased pay costs. The remaining funding is sufficient to carry out an effective fisheries program.

This deferral action and the associated transfer request will help reduce Federal spending in accordance with the President's overall economic recovery program.

Estimated Effect: This deferral action will preserve these funds pending congressional action on the transfer request.

Outlay Effect: This deferral has no significant effect on outlays.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral No. D81-33A, transmitted to the Congress on March 10, 1981.

This revision to a deferral for fossil energy construction funds in the Department of Energy revises the coverage of the deferral to indicate that the entire amount deferred is for the SRC II project. The \$42,000,000 originally reported in D81-33 for High Btu Pipeline Gas Demonstration Plants is no longer included in this deferral action, and has been proposed for rescission (R81-64). The amount currently deferred for fossil energy construction is \$100,000,000, \$105,000,000 less than the amount reported in Deferral D81-33A. The release of these previously-deferred funds reflects a reestimation of the funds needed in 1981 to maintain certain project-related activities until consultations with participating foreign governments can be completed.

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

Agency Department of Energy	New budget authority \$423,300,000 (P.L. 96-514)
Bureau Energy Programs	Other budgetary resources 162,706,000
Appropriation title & symbol	Total budgetary resources 586,006,000
Fossil Energy Construction 1/ 89X0214	Amount to be deferred: Part of year \$ _____ Entire year 100,000,000*
OMB identification code: 89-0214-0-1-271	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	

Justification:* Under the Administration's synthetic fuels policy all funding for fossil energy demonstration projects currently being supported in the Department of Energy would be terminated and project sponsors would be encouraged to seek financial support from the Synthetic Fuels Corporation (SFC), either as synthetic fuel projects or as synthetic fuel "project modules." The Administration has proposed rescissions for these demonstration projects. In the case of the SRC II coal liquefaction plant, no rescission can be proposed until consultations with the international participants in this project have been completed. However, \$100 million in construction funds not needed in FY 1981 are deferred pending completion of these consultations.

Estimated Effect: This deferral of FY 1981 construction funds will have no effect on the completion of the detailed design currently scheduled for completion in 1983 or the completion and final decision on the required environmental impact statement for this project. Some construction phase activities (e.g. long lead procurement) will be delayed pending conclusion of international consultations and possible consideration of this project by the SFC.

Outlay Effects:* This deferral action will have the effect of shifting \$30 million in FY 1981 outlays into FY 1982.

* Revised from previous report.

1/ This account is also the subject of a rescission proposal (R81-64).

SUPPLEMENTARY REPORT

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

This report revises Deferral No. D81-11, transmitted to the Congress on October 1, 1980.

This revision of a deferral for the Scientific Activities Overseas Program of the Department of Health and Human Services increases the previously reported deferral from \$8,000,000 to \$9,118,281. This increase of \$1,118,281 results from a higher level of unobligated balances actually brought forward into FY 1981 than previously estimated.

Deferral No: D81-11A

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

Agency Department of Health and Human Services	New budget authority (P.L. _____) \$ _____
Bureau Office of Assistant Secretary for Health	Other budgetary resources <u>18,118,281*</u>
Appropriation title & symbol Scientific Activities Overseas (Special Foreign Currency Program) <u>1/</u> 75X1102	Total budgetary resources <u>18,118,281*</u>
OMB identification code: 75-1102-0-1-552	Amount to be deferred: Part of year \$ _____
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Entire year <u>9,118,281*</u>
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: The Scientific activities overseas program of the Department of Health and Human Services (HHS) is funded with appropriations which consist of excess foreign currencies owned by the United States. Currencies of Egypt, Burma, Guinea, India, and Pakistan held by the Treasury have been designated as in excess of normal U.S. needs. Funds for this program, which remain available until expended, are used for scientific research projects in those countries.

The amount of funds to be obligated during FY 1981 and the amount to be deferred for the entire year were determined after a careful review of the scientific merit of project proposals in the countries for which excess currency is available. The research projects in those countries that will contribute toward meeting U.S. scientific needs have been selected for funding in FY 1981 by HHS. The amount being deferred is excess to current program requirements and is being reserved for contingencies under provisions of the Antideficiency Act (31 U.S.C. 665).

Estimated Effect: This deferral has no programmatic or budgetary effect because the funds would not be obligated if made available.

Outlay Effect: This deferral action has no effect on outlays.

1/ This account was the subject of a similar deferral in FY 1980 (D80-43).

* Revised from previous report.

SUPPLEMENTARY REPORT

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

This report revises Deferral No. D81-89, transmitted to the Congress on March 10, 1981.

This revision reports a change in the amount deferred. In the previous report, \$16 million was estimated as the total of 1981 obligations made at the time the program was stopped and the deferral action was taken. The revised estimate of obligations is \$19.8 million, necessitating a downward adjustment of the amount deferred from \$21.5 million to \$17.7 million.

1981 was made

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

Agency Department of Transportation Bureau Federal Highway Administration Appropriation title & symbol Trust Fund Share of Other Highway Programs 69X8009**	New budget authority \$ <u>25,000,000</u> (P.L. <u>95-599</u>) Other budgetary resources <u>65,358,177</u> P.L. 96-400 <u>-52,858,177</u> Total budgetary resources <u>37,500,000</u>
	Amount to be deferred: Part of year \$ _____ Entire year <u>17,734,727</u>
OMB identification code: <u>68-8009-0-7-401</u>	Legal authority (in addition to sec. 1013): <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Grant program <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input checked="" type="checkbox"/> Multiple-year <u>Sept. 30, 1981 1/</u> <u>Sept. 30, 1982</u> (expiration date) <input type="checkbox"/> No-year <u>Sept. 30, 1983</u> <u>Sept. 30, 1984</u>	Type of budget authority: <input type="checkbox"/> Appropriation <input checked="" type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: *

Section 129 of the Federal-Aid Highway Act of 1973 authorized the Secretary to establish criteria for the location and construction or reconstruction of a National Scenic and Recreational Highway designated as the Great River Road. A single continuous route was designated which runs through all ten States bordering the Mississippi River.

The Surface Transportation Assistance Act of 1978 provides authorizations of \$10 million in general funds and \$25 million in Highway Trust Funds for each of the fiscal years 1979 through 1982. The general fund authorizations require an appropriation to become available. The trust fund authorizations are contract authority and become available on the first day of the fiscal year for which authorized. Current budgetary resources for FY 1981 total \$90.4 million, all of which is against trust fund authority. This consists of \$25 million of new authority for FY 1981 plus \$65.4 million in unobligated balances from prior year authorizations. Section 311 of the Department of Transportation and Related Agencies Appropriations Act, 1981 (P.L. 96-400) limits FY 1981 obligations to \$37.5 million.

All segments of the Great River Road other than access spurs have been designated as being on the Federal-aid System and may be improved using regular Federal-aid funds. The discrete Great River Road program is duplicative and unnecessary.

All unobligated balances remaining available as of March 10, 1981, are deferred. Effective upon that date, all obligational activity was suspended and will remain so through the remainder of this fiscal year. Obligations through this date total \$19.8 million leaving an unobligated balance of \$17.7 million under the obligation limitation. This is the amount being deferred.

This deferral action is an integral component of the President's economic program announced on February 18. The withholding of obligational authority for this program for the remainder of FY 1981 will assist in reducing Federal spending.

Estimated Effects:* The deferral of \$17.7 million in FY 1981 will cause some or all of the ten States eligible for funding under this program to delay or cancel highway projects planned for the remainder of this fiscal year. However, virtually all of these projects are eligible for funding under the regular Federal-aid Highways program.

Outlay Effects:* This deferral action will shift an estimated \$5.7 million in FY 1981 outlays into FY 1982.

* Revised from previous report.

** While each portion of contract authority is available for four years, the appropriations to liquidate the contract authority are available until expended.

1/ None of these funds is deferred.

2/ This amount is the portion of "Trust Fund Share of Other Highway Programs" made available for the Great River Road. Total funds available to the "Trust Fund Share of Other Highway Programs" are \$76,846,595.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral D81-76 transmitted to the Congress on February 13, 1981.

The amount deferred for Acquisition and Construction of Radio Facilities, International Communication Agency is \$13,325,600, an increase of \$12,073,600 over the amount previously deferred. This increase is attributable primarily to project delays caused by the opportunity to place new Voice of America transmitters in different, and technically more advantageous, locations than were originally planned.

Estimated Effects:* Because of the project changes noted above, the amount deferred could not be obligated before fiscal year 1982. Therefore, no programmatic effects will result from the deferral action.

Outlay Effects:* There is no outlay effect of this deferral, because the funds would not be obligated if made available.

* Revised from previous report

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

April 27, 1981

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith report six revisions to previously transmitted rescission proposals. Three of the revisions decrease the total amount proposed for rescission by \$3.7 million. The other revisions to proposed rescissions make technical changes to appropriation language which do not affect the amounts proposed for rescission. In addition, I am reporting two new deferrals totaling \$6.4 million and revisions to five previously reported deferrals.

The revisions to rescission proposals affect programs in the Departments of Agriculture and Energy, as well as ACTION and the National Science Foundation. The new deferrals and revisions to existing deferrals involve programs in the Departments of Agriculture, Commerce, Energy, Health and Human Services, and Transportation, as well as the Board for International Broadcasting and the International Communication Agency.

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

RONALD REAGAN

THE WHITE HOUSE,
April 27, 1981

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Congress of the United States
House of Representatives
Washington, D.C. 20515

File

X
WALTER P. KENNEDY
MINORITY SERGEANT AT ARMS

ROOM HB-13
THE CAPITOL
TELEPHONE
(202) 225-2139, 4768

April 28, 1981

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SP281-14
JL003-01

Honorable Ronald Reagan
The White House
Washington, D. C.

Dear Mr. President:

I must take this opportunity to comment but please don't waste any time on an acknowledgment.

Last evening you were superb. You drew accolades from all even though some came begrudgingly. For instance, George Danielson commented to us that like Liberace, regardless of how you feel about him, you hit every key.

When you were struck down we commented here what a bad day it was for the Irish. Four down. But last night in chatting with Peter Rodino I was happy to say the Irish have risen again - this time with an addition - Peter Sweeney. All are in agreement with this.

As you so well pointed out in your speech America is a caring and loving country. Its history and record have proven this. The world has almost become dependent on its generosity. And now, America once again has a President it can love.

With prayers and best wishes for you and yours, I am

Respectfully,


Walter P. Kennedy

TRANSFER SHEET

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