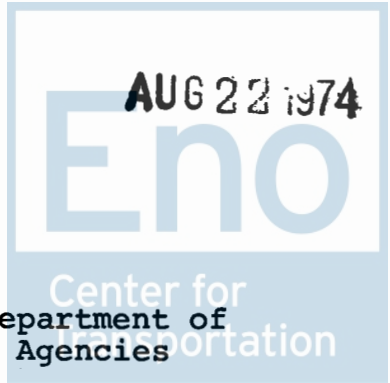


APPROVED
AUG 28 1974

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503



*Posted
8/28
J. Archine
8/29*

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15405 - Department of Transportation and Related Agencies Appropriation Act, 1975
Sponsor - Representative McFall (D) California

Last Day for Action

August 28, 1974

Purpose

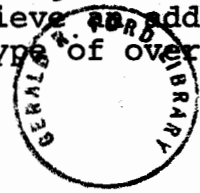
Appropriates \$3,237,625,000 in budget authority for fiscal year 1975 and \$50,879,000 in advance budget authority for fiscal year 1976 for the activities of the Department of Transportation, the Civil Aeronautics Board, the Interstate Commerce Commission, The Panama Canal, the National Transportation Safety Board, and the Washington Metropolitan Area Transit Authority.

Agency Recommendations

Office of Management and Budget Approval
Affected agencies Approval (informally)

Discussion

The \$3,288 million in budget authority provided by the enrolled bill is \$256 million less than the \$3,545 million requested by the Administration, a reduction of nearly 7 percent. As reported to the Senate, the bill was about 3.5 percent below the budget request. A Senate floor amendment -- later modified in conference -- effects an additional 3.5 percent reduction, or about \$119 million, in amounts appropriated. Rather than applying a general, across-the-board reduction, the conference committee reduced certain individual appropriations by \$80 million and then applied the 3.5 percentage formula to other selected appropriations to achieve an additional \$39 million reduction. This type of overall reduction in



amounts requested, whether accomplished by a percentage formula applied across-the-board or by selective changes to individual appropriations, may occur again as the Congress proceeds to act upon the remaining appropriation bills. For this bill, it should be noted, however, that reductions were not taken against the major transportation programs utilizing contract authority directly provided in substantive legislation. Thus, over \$6 billion of the transportation program, including Federal-aid highways, mass transit grants, and airport development grants, were not reduced.

The net effect on outlays of the specific congressional changes to the individual amounts requested is an estimated decrease of \$179 million in 1975 and \$126 million in 1976.

The following table summarizes congressional action on the 1975 appropriations by major program category:

	<u>Budget Estimate</u>	<u>Enrolled Bill</u>	<u>Congressional Change</u>
Department of Transportation.....	3,229,318	2,998,152	-231,166
Aviation.....	(1,755,200)	(1,693,439)	(-61,761)
Highways.....	(175,877)	(118,863)	(-57,014)
Railroads.....	(229,300)	(199,002)	(-30,298)
Urban mass transportation.....	(88,300)	(49,340)	(-38,960)
All others.....	(980,640)	(937,508)	(-43,133)
Related agencies....	247,662	239,473	-8,189
Total (does not add due to rounding).	3,476,980	3,237,625	-239,354

The following individual decreases in the enrolled bill are of some interest:

- ° a decrease of \$35.4 million for the research, development, and demonstration activities of the Urban Mass Transportation Administration. Much of the decrease is related to the disallowance of increased funds for projects involving advanced technology transit systems.



- ° a reduction of \$30.3 million in funds for the Federal Railroad Administration.
 - °° Over half of this decrease is related to railroad research and development activities and reflects the view that emphasis should be placed on projects which offer the greatest potential for early results applicable to present problems rather than on advanced systems and technologies.
 - °° Funds for Federal grants to the National Railroad Passenger Corporation (Amtrak) would be reduced by \$12.7 million. The \$130.3 million which would be appropriated for Amtrak is not sufficient to cover the cost of operating congressionally-mandated routes. It is expected that a supplemental request will be necessary to permit continued Amtrak operation for the full fiscal year and to cover the increased costs of diesel fuel, labor, and materials.
- ° a decrease of \$21.5 million in construction funds for the Darien Gap Highway through Columbia which will link the Central and South American highway systems. Progress on this project has been somewhat slow, and it does not have strong congressional support.
- ° a disallowance of the entire \$10 million request of the Coast Guard for its pollution fund. Hearings indicated that total fund income in fiscal year 1975 was expected to exceed anticipated expenditures from the fund, and therefore the appropriation would not be required. The Coast Guard has indicated, however, that recent court decisions -- which would preclude application of receipts to the fund -- may eliminate most of the anticipated fiscal year 1975 income.

In addition to the new budget authority discussed above, the bill contains \$5.54 billion in appropriations to liquidate contract authorizations, a reduction of \$132.5 million from the budget estimate. These are funds required to meet commitments made under authorizations contained in substantive bills. This includes the



payments made from the Highway Trust Fund for the Federal-aid highway programs, funds from the Airport and Airway Trust Fund for airport grants-in-aid, funds for highway traffic safety programs, and amounts necessary to meet commitments made under the Urban Mass Transportation Fund. At some later time appropriations will have to be provided to pay off these commitments. Therefore, the outlay effect is minimal.

Language Provisions

Section 315 of the bill includes a "coming-into-agreement" provision which would, in effect, prohibit the Federal Aviation Administration from using any funds appropriated in the Act for instituting administratively a user fee system for aviation certifications and licenses, unless "the appropriate committees of the Congress" review and approve the system. Approval solely by the committees of an Executive action, such as instituting the user fee system, has been unacceptable to a long line of Presidents as a violation of the separation of powers doctrine. While we object to Section 315 in principle, we do not recommend issuing a signing statement. The 1975 budget anticipated no receipts from the user fee system; therefore, the presence of this provision, which constitutes temporary legislation in an appropriation bill, will not impinge upon the Department of Transportation's fiscal year 1975 operations.

The enrolled bill also contains a general provision which increases the limitation on commitments for the Urban Mass Transportation fund by \$94.2 million above the amount contemplated in the budget. While this provision will not have adverse effects in fiscal year 1975, it will increase outlays in future years.

Recommendation

We recommend that you sign the bill.

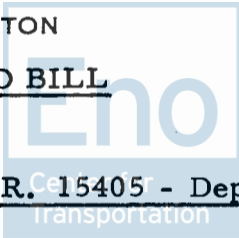


Roy L. Ash
Director



THE WHITE HOUSE
WASHINGTON

ENROLLED BILL



SUBJECT: Enrolled Bill H.R. 15405 - Department
Transportation

of Transportation and Related Agencies
Appropriation Act, 1975

<u>Name</u>	<u>Approval</u>	<u>Date</u>
<u>Mike Duval</u>	<u>Yes</u>	<u> </u>
<u>Andre Buckles</u>	<u>Yes</u>	<u> </u>
<u>Phil Buchen</u>	<u>Yes</u>	<u> </u>
<u>Bill Timmons</u>	<u>Yes</u>	<u> </u>
<u>Ken Cole</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
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Comments:

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

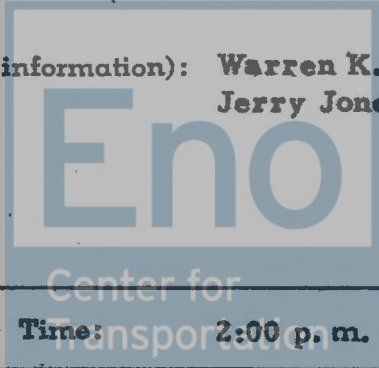
LOG NO.: 530

Date: August 23, 1974

Time: 9:30 a. m.

FOR ACTION: Mike Duval
✓ Andre Buckles
✓ Phil Buchen
✓ Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones



FROM THE STAFF SECRETARY

DUE: Date: Monday, August 26, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15405 - Department of Transportation and Related Agencies Appropriation Act, 1975

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 530

Date: August 23, 1974

Time: 9:30 a. m.

FOR ACTION: Mike Duval
 Andre Buckles
 ✓ Phil Buchen
 Bill Timmons

cc (for information): Warren K. Hendriks
 Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 26, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15405 - Department of Transportation
 and Related Agencies Appropriation Act, 1975

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

No objection
D.C.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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Warren K. Hendriks
 For the President

THE WHITE HOUSE

WASHINGTON

August 23, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS *W.E. Timmons*

SUBJECT: Action Memorandum - Log No. 530
Enrolled Bill H. R. 15405 - DOT and
Related Agencies Appropriation Act, 1975

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

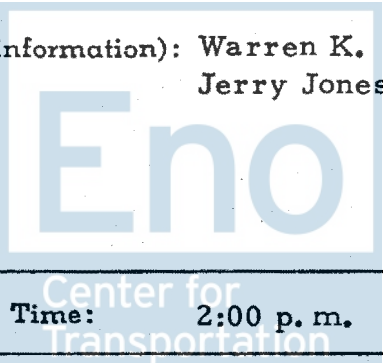
LOG NO.: 530

Date: August 23, 1974

Time: 9:30 a. m.

FOR ACTION: Mike Duval
Andre Buckles
Phil Buchen
✓ Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones



FROM THE STAFF SECRETARY

DUE: Date: Monday, August 26, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15405 - Department of Transportation and Related Agencies Appropriation Act, 1975

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

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Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 530

Date: August 23, 1974

Time: 9:30 a. m.

FOR ACTION: ✓ Mike Duval
Andre Buckles
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 26, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15405 - Department of Transportation
and Related Agencies Appropriation Act, 1975

ACTION REQUESTED:

_____ For Necessary Action

XX For Your Recommendations

_____ Prepare Agenda and Brief

_____ Draft Reply

_____ For Your Comments

_____ Draft Remarks

REMARKS:

OK

Mike Duval 8/23

Please return to Kathy Tindle - West Wing

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Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

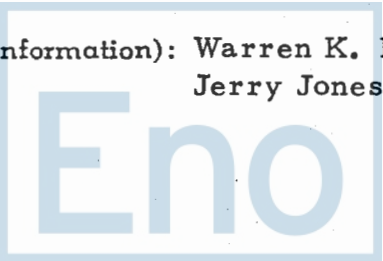
LOG NO.: 530

Date: August 23, 1974

Time: 9:30 a. m.

FOR ACTION: Mike Duval
Andre Buckles
Phil Buchen
Bill Timmons

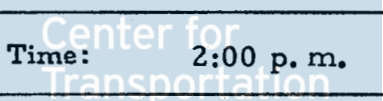
cc (for information): Warren K. Hendriks
Jerry Jones



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SUBJECT: Enrolled Bill H.R. 15405 - Department of Transportation and Related Agencies Appropriation Act, 1975

ACTION REQUESTED:

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___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

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No objection

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Warren K. Hendriks
For the President