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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

January 6, 1986

B-220532



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To the President of the Senate and the
Speaker of the House of Representatives

On November 25, 1985, the President's second special message for fiscal year 1986 was submitted to the Congress pursuant to the Impoundment Control Act of 1974. The special message proposes eight new deferrals totalling \$2,023,327,275. Our report follows:

FUNDS APPROPRIATED TO THE PRESIDENT

D86-24 International Security Assistance
Economic Support Fund
Amount Deferred: \$1,222,216,000
115/61037 115/71037 11X1037

DEPARTMENT OF COMMERCE

D86-25 National Oceanic and Atmospheric
Administration
Fisheries Loan Fund
Amount Deferred: \$1,959,000
12X5123

As a result of the enactment, subsequent to this deferral, of the Department of Commerce Appropriation Act for fiscal year 1986 (Pub. L. No. 99-180, December 13, 1985), providing no new budget authority for the fisheries loan fund, and a change in the figure for unobligated balance brought forward, total budgetary resources for this account are \$1,797,436, not \$3,525,000 as reported. The amount of the deferral, according to agency officials, is the entire \$1,797,436.

The report is technically correct in identifying these funds as "no-year." However, the Fisheries Loan Fund, which is the subject of this deferral, will cease to exist on September 30, 1986. Any balance then in the Fund or moneys

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received thereafter are to be covered into the Treasury as miscellaneous receipts. 16 U.S.C. § 742c(c). The effect of this provision is that, unless the law is changed, the funds are essentially not no-year, but annual, expiring at the end of fiscal year 1986. According to the report, no extension of the authorization will be requested by the President.

The message says that the funds are deferred "pending congressional consideration of the President's proposal." An official of the Office of Management and Budget (OMB) explained, in response to our inquiry, that various proposals are now under consideration in the Administration, one of which is to seek legislative transfer of these funds to another account. OMB anticipates that whatever proposal is decided upon will be submitted as part of the President's budget message for fiscal year 1987.

These facts--a full year deferral of what are in effect annual funds, with no clear indication under what conditions the funds would be made available--raise the question whether this message should be reclassified as a rescission. However, the matter is now under active consideration in the Administration and some action is expected within a few weeks. A deferral at least while the decision is being made is appropriate. We intend to reexamine this deferral in light of the President's budget message to determine whether, in light of whatever proposal he makes, if any, it is still appropriately classified.

D86-26 National Oceanic and Atmospheric
 Administration
 Promote and develop fishery products
 and research pertaining to
 American fisheries
 Amount Deferred: \$32,333,000
 13X5139

In deferral D86-26, the President reports a deferral of \$32,333,000 from this account pending congressional action on a proposal to transfer these funds to the National Oceanic and Atmospheric Administration's "Operations, Research, and Facilities" account. Subsequent to the President's report, the Department of Commerce Appropriation Act for fiscal year 1986 transferred \$35,700,000 from this account to the "Operations, Research, and Facilities" account.

DEPARTMENT OF DEFENSE - MILITARY

D86-27 Family Housing, Defense
Amount Deferred: \$11,800,000
575/90704 574/80704 573/70704 572/60704

DEPARTMENT OF HEALTH AND HUMAN SERVICES

D86-28 Social Security Administration
Limitation on Administrative Expenses
(Construction)
Amount Deferred: \$6,489,137
75X8704

DEPARTMENT OF TRANSPORTATION

D86-29 Federal Aviation Administration
Facilities and equipment (Airport and
airway trust fund)
Amount Deferred: \$686,438,312
69X8107 893/78107 695/98107
692/68107 694/88107


DEPARTMENT OF THE TREASURY

D86-30 Office of the Secretary
Local Government Fiscal Assistance
Trust Fund
Amount Deferred: \$7,742,617
20X8111

D86-31 Office of Revenue Sharing
Local Government Fiscal Assistance
Trust Fund
Amount Deferred: \$51,849,209
20X8111

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We have reviewed the second special message. Except as noted above, we identified no additional information that would be useful to the Congress, and we believe that the proposed deferrals are in accordance with existing authority.

A handwritten signature in cursive script, reading "Shelton J. Jordan".

Acting Comptroller General
of the United States