



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

096931

096931
~~760199~~

November 6, 1975



LM096931

B-115398

[Proposed Rescissions and Release of Funds]

Speaker of the House
President of the Senate

BEST DOCUMENT AVAILABLE

The President's first special message for fiscal year 1976, dated July 1, 1975, contained three proposed rescissions of budget authority. R76-1 and R76-2 proposed rescissions of \$90 million and \$25 million in budget authority for the Department of Transportation, Federal Highway Administration and R76-3 proposed a rescission of \$8.665 million in budget authority for the Department of the Treasury.

Section 1012(b) of the Impoundment Control Act requires the funds proposed to be rescinded to be made available for obligation unless the Congress completes action on a rescission bill within a prescribed 45-day period. In this case, congressional action was not completed and the prescribed 45-day period expired on September 22, 1975.

OMB officials have informed us that all funds proposed for rescission in R76-3 have been released and we have confirmed with Treasury officials that the funds have been made available for obligation. Therefore, no other action on our part is required on this rescission.

Funds proposed to be rescinded in R76-1 and R76-2, however, have not been released. Section 1016 of the Act empowers the Comptroller General to institute a civil action in the United States District Court for the District of Columbia to require the budget authority to be released. Congressional actions have taken place, however, which effect the release of budget authority for both R76-1 and R76-2, therefore, we do not plan to initiate a civil suit at this time. Brief explanations of the congressional actions are included below.

The Transportation Appropriation Bill 1976, (H.R. 8365), which has passed both Houses, contains language which would rescind the \$25 million of contract authority as proposed in R76-2 and replace it with a regular appropriation of \$10 million. The bill is in conference for the resolution of matters unrelated to the replacement of this contract authority. Since the enactment of that bill would resolve the question of the Administration's failure to release the Department of Transportation funds, we will defer final decision concerning civil action until the present appropriation matter is settled.

ACG-76-9

~~Z02470~~

096931

R76-1 has been resubmitted as a proposed deferral by the Executive Branch in response to the express wishes of the congressional Appropriation Committees pending further study and additional testimony on the scope and cost of the road. This action is not expected to be completed until after June 30, 1976. Of the \$90 million included in the deferral, \$20 million is scheduled to lapse on June 30, 1976. Federal Highway officials have indicated to us that while some of the States may obligate a portion of the \$20 million for preliminary engineering work prior to June 30, 1976, they estimate that at least \$10 million will lapse at that time. This would, in effect, allow the Executive Branch to rescind budget authority without the consent of the Congress as a whole. Since R76-1 is now a proposed deferral, we have addressed this matter more fully in our response to the President's fourth special message.

Sincerely yours,


Acting Comptroller General
of the United States