

DOCUMENT RESUME

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[Deferral of Energy Research and Development Administration Budget Authority]. OGC-77-23; B-115398. July 28, 1977. 2 pp.

Report to the Congress; by Elmer B. Staats, Comptroller General.

Contact: Office of the General Counsel: Special Studies and Analysis.

Budget Function: Miscellaneous: Impoundment Control Act of 1974 (1005).

Organization Concerned: Energy Research and Development Administration; Office of Management and Budget.

Congressional Relevance: Congress.

Authority: P.L. 94-187. P.L. 94-355.

A deferral of Energy Research and Development Administration (ERDA) budget authority for funds appropriated for the Intense Neutron Source Facility (INSF) project should have been, but was not, reported to the Congress by the President pursuant to the Impoundment Control Act of 1974. The INSF project is a Federal effort to study the effects of high-level neutron irradiation on metals and insulators. Findings/Conclusions: In 1975, \$22.1 million was authorized to be appropriated for the INSF project. Total project costs were estimated by ERDA to be \$25.4 million. Funds were first appropriated for the INSF project in fiscal year 1977 when ERDA was provided \$14.4 million. These funds will remain available until expended. Presidential budget cuts deleted an additional \$10.9 million requested by ERDA in its initial fiscal year 1978 budget. ERDA advised that this deletion, if approved by the Congress, would have required termination of the project. Prior to congressional reinstatement of this amount, ERDA placed \$13.4 million of unobligated project funds in an ERDA reserve account. This action was documented only in ERDA's internal financial plans, and the Office of Management and Budget was not notified of this budgetary action. Although ERDA's Office of the Comptroller has requested the release of the project's funds from the ERDA reserve account, the \$13.4 million remains in an impounded status due to ERDA's actions placing the funds in reserve. (SC)

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



July 28, 1977

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

This letter reports a deferral of Energy Research and Development Administration (ERDA) budget authority that should have been, but was not, reported to the Congress by the President pursuant to the Impoundment Control Act of 1974.

The Intense Neutron Source Facility (INSF) project (consisting of a device with associated buildings, laboratories, and equipment) is a Federal effort to study the effects of high-level neutron irradiation on metals and insulators. ERDA has indicated that obtaining an understanding of these effects is essential to the development of magnetic confinement fusion as a practical energy source.

Public Law 94-187, approved December 31, 1975, authorized \$22.1 million to be appropriated for the INSF project. (Another \$3.2 million was requested by the Administration for authorization in fiscal year 1977, but was not provided by the Congress.) Total project costs--excluding operating expenses and preconstruction research and development costs --were estimated by ERDA to be \$25.4 million.

Funds were first appropriated for the INSF project in fiscal year 1977 when ERDA was provided \$14.4 million in Public Law 94-355, approved July 12, 1976. These funds will remain available until expended; i.e., "no-year" budget authority. Although ERDA requested an additional \$10.9 million in its initial fiscal year 1978 budget, presidential budget cuts deleted this amount from the revised fiscal year 1978 budget. ERDA informed us that this deletion, if approved by the Congress, would have required termination of the project. Notwithstanding the President's request, both Houses of Congress reinstated the \$10.9 million. Prior to the congressional reinstatement, however, ERDA placed \$13.4 million of unobligated project funds (about \$1 million had been obligated for architecture and engineering studies) in an ERDA reserve

account on February 23, 1977. This action was documented only in ERDA's internal financial plans and OMB was not notified of this budgetary action.

An ERDA official told us that OMB was not informed because the agency was at the time working with OMB to include language in ERDA's fiscal year 1978 authorization bill to rescind the funds previously authorized for the project--\$22.1 million--less those amounts obligated. This proposed legislation was transmitted to the Congress in March 1977.

Since both Houses of Congress subsequently reinstated funding for the project and deleted the rescission language, ERDA's Office of the Comptroller has requested the release of the project's funds from the ERDA reserve account. In the meantime, however, the \$13.4 million remains in an impounded status due to ERDA's actions placing the funds in reserve.

Section 1015(a) of the Impoundment Control Act requires the Comptroller General to report to the Congress whenever he finds that the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any other officer or employee of the United States has ordered, permitted, or approved the deferral of budget authority and the President has failed to transmit a special message with respect to such a deferral. This report is submitted in accordance with the requirement imposed by section 1015(a) and, consequently, has the same effect as if it were a deferral message transmitted by the President.



Comptroller General
of the United States