

THE WHITE HOUSE

WASHINGTON

November 13, 1975

The President

of the Senate

Sir:

I ask the Congress to consider proposed supplemental appropriations for the fiscal year 1976 in the amount of \$404,100,000, for the transition quarter in the amount of \$302,000,000, and for the fiscal year 1977 in the amount of \$1,400,000,000 for the United States Railway Association.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

A handwritten signature in cursive script that reads "Gerald R. Ford". The signature is written in dark ink and is positioned below the typed name "Gerald R. Ford".



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 13, 1975

The President

The White House

Sir:

I have the honor to submit for your consideration proposed supplemental appropriations for the fiscal year 1976 in the amount of \$404,100,000, for the transition quarter in the amount of \$302,000,000, and for the fiscal year 1977 in the amount of \$1,400,000,000 for the United States Railway Association.

The details of these requests are contained in the enclosure to this letter. I have carefully reviewed the proposal for appropriations contained in these documents and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

A handwritten signature in black ink, appearing to read "James T. O'Connell". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Enclosure

UNITED STATES RAILWAY ASSOCIATION

Administrative Expenses

For an additional amount for "Administrative expenses", \$4,100,000, to remain available until expended: Provided, that this appropriation shall be available only upon the enactment of authorizing legislation.

For "Administrative expenses" for the period July 1, 1976 through September 30, 1976, \$2,000,000, to remain available until expended: Provided, that this appropriation shall be available only upon the enactment of authorizing legislation.

Payments for Purchase of ConRail Securities

For acquisition of debentures and series A preferred stock issued by the Consolidated Rail Corporation to remain available until expended, \$400,000,000 for fiscal year 1976; \$300,000,000 for the period July 1, 1976 through September 30, 1976; and \$1,400,000,000 for fiscal year 1977: Provided, that this appropriation shall be available only upon the enactment of authorizing legislation.

These funds would permit the U.S. Railway Association to purchase securities of the Consolidated Rail Corporation (ConRail) on an orderly basis over a period of five years. ConRail, a private for-profit corporation, would in turn use these funds to cover initial operating losses and for rehabilitation of physical properties.

Additional funds are also needed to finance final planning of the new rail system, documentation and other preparations associated with conveyance of bankrupt railroad assets, and defense of the Federal Government against pending lawsuits under the Tucker Act. The workload in each of these areas has turned out to be greater than originally anticipated.