

Mr. Frank Turner

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December 20, 1956

In line with the above thinking, there is attached a copy of my letter addressed to the Director, Office of Territories, of July 10, 1956, summarizing our method of handling appropriations under the Interior Department. This letter was written to acquaint the Office of Territories with our program status, and the action we were taking to assure uninterrupted progress on our current programs, during our transfer from Interior to Commerce. The fact that no 1958 Interior budget would be prepared for the Alaska Road Commission, and that Federal-Aid funds would be expected to assume the completion of continuing construction projects, previously authorized by Congress, made this consideration logical. It is now my belief that further adjusting between budgetary items within the Interior appropriation is an unnecessary procedure, and should be eliminated by handling the entire appropriation as one fund applicable to work previously authorized under the Interior budgets.

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July 10, 1956

Mr. Anthony T. Lausi
Director, Office of Territories
Department of the Interior
Washington 25, D. C.

My dear Mr. Lausi:

Since the new Federal Highway Act will transfer the Alaska Road Commission's functions from the Department of the Interior to the Department of Commerce, and further budget submissions through the Interior Department will not be made, it is necessary that adjustments be considered in connection with our remaining highway funds to assure uninterrupted progress on our current programs.

In the handling of appropriations under the Interior Department, it has been possible to transfer funds between budgetary items within one appropriation category, subject to approval of the Secretary. Such transfers have been accomplished in the past to use up residues in completed projects and to permit realistic programming in the field. The most recent transfers of this nature were requested in my letter of May 2, 1956, and subsequently approved by Assistant Secretaries Beasley and D'Ewart on May 15.

The Subcommittee of the House Appropriations Committee has repeatedly instructed that work in the field be kept current with appropriations, and has criticized when appreciable funds were unobligated at the end of a fiscal year. As a result, we have stepped up our programs and have, in the past two years, rapidly obligated the appropriations available to us. We are now in the position of having programmed into our 1958 fiscal year although no 1958 appropriations will be made through Interior. We will, therefore, require clearance for transfers between budgetary items in order to utilize the available appropriated funds to the greatest advantage for our currently authorized road program. The following specific programs are presented for your review, and it is requested that concurrence with our actions be obtained from the Secretary's Office.

On the Richardson Highway, we have carried a total estimate of cost, of \$36,640,000, since 1952. To date we have received \$36,322,790.75, including all authorized transfers and our 1957 appropriation. By letter of March 12, I requested authority to increase the scope of the remaining

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work on the Richardson Highway by the addition of shoulder paving, and estimated that the total cost of the highway would be increased by \$635,000, to a new total of \$37,275,000. This change in scope was subsequently approved by Assistant Secretary D'Ewart on May 15. As a result, there remains to be appropriated \$942,209.25. We have let contracts for work on the Richardson Highway which will extend into fiscal year 1958 and which will require, for engineering administration, additional funds in this budgetary item over and above the 1957 appropriations. We will not exceed the 1957 appropriations, on an obligation basis, during this fiscal year. The funds that must be encumbered for engineering and Government-furnished asphalt during the 1958 fiscal year were requested in our preliminary 1958 budget submission within the new total estimate and, if necessary, advance authority to obligate the 1958 funds would have been requested on the first of March, 1957, in accordance with our statutory authority.

In summation of the above discussion, we are now in the position of having programmed, although not obligated, funds in excess of those available for the Richardson Highway - in the amount of \$657,000. Under our normal operations this would be perfectly in order but, since we anticipate no additional Interior appropriations, it will be necessary that transfers from other budgetary items be authorized to cover this encumbrance. This \$657,000 includes \$311,972 reserved to cover the full amount of an unsettled contractor's claim now before the Interior Board for Contract Appeals. We anticipate action which will reduce this claimed amount to a very nominal sum.

While it has been our practice to program in excess of our appropriations, when such programming does not involve over-obligation, we have always held our total program within total appropriated funds for any one budgetary category, such as "Construction of Roads, Alaska".

The Richardson Highway, described above, is the only budgetary item on which we have already programmed beyond the appropriated funds. However, we desire to similarly exceed our appropriation, program-wise, on other budgetary items. On the Alaska Highway, we have issued invitations for bids to be opened on July 10, for the reconstruction of eight obsolete bridges. The award of contract for these bridges, which will require two years for completion, will not over-obligate the appropriation item "Alaska Highway", but will involve programming beyond our available appropriations, to provide for the 1958 fiscal year's engineering and Government material costs. This amount is presently estimated at \$89,000, and can be covered from available funds in other budgetary items.

Several other budgetary items are fully programmed and, as in the case of the Alaska Highway, the anticipated overruns of available appropriations are very minor. These will change up or down as contract awards are made and field costs are incurred. As stated above, however, the entire program will always be held within the total available appropriated

funds for the category "Construction of Roads, Alaska". At present, funds available for transfer to the projects indicated are included in the amounts for Sterling Highway, Taylor Highway, and Denali Highway. Programs on these highways are sufficiently under the appropriated amounts to permit reserving funds to cover the other items.

This general discussion is made to acquaint you with our present programming status. No action toward the transfer of funds is requested at this time since the amounts involved will vary somewhat as the season's work progresses. Normally this matter would not be presented for review since all of our action has been within our authorities. However, the fact that no 1958 appropriation from Interior Department will be available for continuing this work, and the corresponding questions as to the availability of Department of Commerce funds for these projects, requires some assurance that Secretarial authority will be given for transfers between budgetary items necessary to close out authorized construction now underway in an economical manner, and to undertake construction that should be accomplished within the intent of our appropriation "Construction of Roads, Alaska".

It is suggested that this matter be discussed with Sidney Larson, Director of Budget and Finance, and with Administrative Secretary Beasley, who are acquainted with our procedures and should approve the action we are taking, or recommend early changes in closing out this Interior Department program.

Sincerely yours,

A. F. Chiglione
Director

CROSS REFERENCE

File No. (ALASKA)F.H. 16

Date 12/13/56

FROM : CLARK (40-90)
(08-00)

TO : ANDREWS

SUBJECT: Report of Operations on the Forest Hwy. System Fiscal Tear 1956-Alaska

~~the reference is made to your memos of 8/31 & 11/28/56 concerning the~~

Reference is made to your memos 8/31 & 11/28/56 concerning the subject report.

The report of funds, expended for construction as of 6/30/56, shows "Forest Servey" expenditures totaling \$595,212. We have eliminated this amount in considering the remaining data for use in a summary comparable to Table #4 of the 1955 Operations Report.

We are not quire clear as to the amount to be used for "Other Federal" funds expended for construction because the amount of \$18,726,552 apparently includes \$230,350 of the total amount of \$240,350 shown on the report of "Forest Hyy. Construction" under the heading of "Cooperative Funds". The amount of Fed. funds normally should equal the total amount which appears on Table S-W & the cooperative funds should equal the States & local funds on the construction expenditures table unless, of course, other conflicting factors enter into the computations.

It will be appreciated if you will clarify these items at your earliest convenience so that our interpretation of the Alaska reports will be correct for use in the preparation of the Operations Report for fiscal year 1956.

With reference to the "Estimated Additional Construction" required, it would be appreciated if the needs shown on the "Forest Hwy. Construction Data" be segregated to show the quantity required for the 10-year period 1957-1966.

See File No. (ALASKA) F. H.

BUREAU OF PUBLIC ROADS

CROSS REFERENCE

File No. (Alaska) 7. H. 16

Date 5/1/56 -

From Clark (40-90)

To Mc Ardle - Chf. F.S. Agri -

Subject

recommendation 4/25/56 for programming F. H. funds in Alaska from funds available under the 1957 fiscal year apportionment + from balances of previous apportionments.

↳ - supersedes recommendation 11/1/55 -
approved - 2/2/56 -

See File (Alaska) 7 H. 14

Bureau of Public Roads

CROSS REFERENCE

File No. (Alaska) 7. H- 16-

Date 4/2/56 -

FROM : Andrews (08-00)

TO : Curtiss -

SUBJECT: Impending Pulp & Timber Expansion in Alaska -
Request for Special Hwy. Appropriation -

att: brochure (2/15/56 - six pages)
4 maps -

See File No. (Alaska) Forest Hwy -

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