APPENDIXES

APPENDIX I
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DISCOUNT RATES USED BY FEDERAL AGENCIES IN THE
ANALYSIS OF INDIVIDUAL PROGRAMS IN FISCAL YEAR 1969

Agency	Programs	Rate (percent)	Rationale: Treasury borrowing cost	Rationale: Other
Tennessee Valley Authority	Fertilizer munitions and development	4.5	X	
	Power supply and use	4.5 to 5.5		Cost of money to TVA (note 1)
General Services Administration	Facilities program	4.5		Estimated productivity of capital (note 2)
Department of Agriculture	Housing loans	4.875	X	(note 3)
	Water and sewer loans and grants	4.875	X	
	Rural electrification loans	4.875	X	
	Rural telephone loans	4.875	X	
	Rural renewal district loans	4.875	X	
	Rural conservation and development loans	4.875	X	
	Farm operating loans	4.875	X	
	Farm real estate loans	4.875	X	
	Production efficiency	5.0	X	
Office of Economic Opportunity	Job corps	3.0 and 5.0		"Rate or return on a safe investment and a slightly higher rate" (note 4)
	Upward bound	3.0 " 5.0		Same
	Family planning program	5.0		Do.
Department of Transportation (Federal Aviation Administration)	Facilities and basic systems	4.2		Federal Reserve rediscount rate
	Radar components	4.2		Same
	En route automation	4.2		Do.
Atomic Energy Commission	Enriched uranium production planning	5.0	X	
	Radioactive waste management planning	5.0	X	
	Value of special nuclear materials	5.0, 7.5, and 10.0	X	Use of 7.0 and 10.0 not explained
	Radiation pasteurization of meat	Government costs--5.0	X	
		Industry benefits--15.0		Rate used in industry
	Reactor development	5.0 to 9.0		6.0 and 7.0 typical of rate used by private utilities; 9.0 used to introduce a risk factor (note 5)
Department of Defense	41 shipyard projects	10.0		Time preference for current vs. future money sacrifices in private sector (note 6)
	14 air stations	10.0		Same
	18 other stations	10.0		Do.