

If an aggressive research and development program in desalting continues, with emphasis on applications, we foresee large quantities of desalted sea water being produced at costs of \$100 an acre-foot or less, through the construction of a prototype plant, hopefully before 1982. We are confident that water cost from a "first-of-a-kind" prototype plant will be further reduced by succeeding commercial plants. While this is relatively expensive water, it must be recognized that the addition of pure distilled water will enhance the overall quality of the river downstream from the point of delivery, with attendant benefits to all users.

FISCAL YEAR 1972 PROGRAM

With your permission, I would like to briefly review the program we are proposing for FY 1972.

The OSW program for FY 72 of \$27,025,000 is a reduction of \$1,548,000 from the FY 71 program of \$28,573,000. The decrease is due to the authorization and the appropriation of funds for FY 71 to construct the VTE/MSF module.

The FY 72 program provides for an aggressive research program, both basic and applied and also provides for the construction of two reverse osmosis test beds. We also are seeking five additional positions very badly needed for the effective conduct of our operations.

Category I.—Research and Development Operating Expense

There is an increase of \$495,066, in this category. This increase resulted primarily from additional program effort for environmental and general applied research and development. Such programs as materials, crystallization and electro-dialysis research and development programs were cut back. Additional emphasis needs to be directed to the areas of environmental protection. Since we in the Office of Saline Water are concerned with improving the environment through the development of desalting technology, it is imperative that we assure that desalination has no adverse environmental effect.

Category II.—Test Beds and Test Facilities

An increase of \$1,985,000 is requested for this category. The increase represents two reverse osmosis test beds, planned at a cost of \$2,100,000 for a 250,000 gpd sea water desalting plant and a 500,000 to 750,000 gpd high product recovery desalting plant. Reverse osmosis sea water plants capable of producing 250,000 gpd will benefit the small coastal communities and open up a new market for U.S. manufacturers overseas. Three new positions are requested: one assistant to the manager at Roswell; one assistant to the manager at Freeport; and one lab technician for Wrightsville Beach.

Category III.—Modules

This category shows a decrease of \$4,170,000. This reflects a reduction of \$4,320,000 for construction of the vertical tube evaporator/multi-stage flash (VTE/MSF) module authorized in FY 1971.

Category IV.—Administration and Coordination

Administration and coordination shows an increase of \$37,000 which includes the addition of two positions. This is a minimal increase to cover the conduct of the business aspects of the program.

You will also note that we are proposing a change to the appropriation language to delete the limitation on reprogramming of funds into the administration and coordination activity. The proposed authorizing legislation for FY 72 provides for 2% reprogramming authority into this category. As you know, the other three categories provide for 10% reprogramming authority. This 2% reprogramming authority proposed is the minimal amount to cover emergency situations that may occur in this category.