

gress had completed its action on our appropriation bill and we had received the apportionment of funds by the Bureau of the Budget, and that a final decision by the President might not be possible until after congressional action on all fiscal year 1969 appropriation bills had been completed.

The President has not yet signed the appropriation bill and we have not yet received our apportionment from the Bureau of the Budget. However, we did receive an indication from the Bureau of the Budget early in August that, based on the assumptions then being used by the Director of the Budget, NASA's share of the total of expenditure reductions might amount to \$350 million. Translated into terms of new obligational authority, this meant that our use of fiscal year 1969 appropriations would have to be limited to \$3.85 billion. In establishing our interim operating plan, then, we have assumed that a limitation of \$3.85 billion will, in fact, be the final decision of the President, although the Director of the Budget even now is not able, at this time, to give us definite assurance that this will be the case.

The third crucial consideration we have faced is the necessity and our responsibility to carry forward the NASA program during a period of uncertainty that could last 4 months or more into the fiscal year. We not only had to provide a basis for moving ahead with those decisions and actions which had to be made during these months, but also to recognize the necessity of making necessary reductions as early as possible in the fiscal year to avoid the much deeper reductions that might be required if we waited for final decisions later in the year.

PLAN DESIGNED TO ACCOMMODATE BOTH FUNDING INCREASES OR DECREASES FOR FISCAL YEAR 1970

It was for these reasons that, in advance of decisions by the Bureau of the Budget or the President, we felt it was essential, in the light of all the information available to us, to construct an interim operating plan within a self-imposed \$3.85 billion limitation and to decide to operate on the basis of this plan, pending final decisions.

Our actions have also had to be constrained by our current instructions within the executive branch to hold expenditures to a minimum in 1970, as well as in 1969, and to be prepared for the eventuality of budgetary limitations in fiscal year 1970 even more restrictive than those in fiscal year 1969. I am personally convinced that the Nation's space program requires an increase in funding in fiscal year 1970 and I am hopeful that as we proceed with the preparation of the fiscal year 1970; budget we will succeed in establishing the need for a significant increase. Until this decision is made, however, we have no alternative but to proceed with an interim operating plan which is designed to take into account the possibility of either an increase or a decrease in fiscal year 1970; that is, a plan which, where possible, holds open options we can exercise in fiscal year 1970 if the budget is higher, but which does not overcommit us if the fiscal year 1970 budget is lower.

Let me now turn to the operating plan itself and its more significant features.