

or more States or their political subdivisions, unless the enacting statute specifically provides otherwise, shall expire on June 30 of the fifth calendar year which begins after the effective date of the enactment of such program. Concurrently, the bill provides for a specific review by the Congress for such grants-in-aid programs as are authorized over a period of three or more years to ascertain whether the purposes for which such grants-in-aid would be authorized have been met, the extent to which such programs can be carried on without further Federal financial assistance, and whether any changes in purpose, direction, or administration of the original program should be made to conform to recommendations of the Comptroller General under Section 4 of the bill or the Advisory Committee on Intergovernmental Relations (established by Public Law 86-380) under Section 5. The bill provides that such Congressional review shall be conducted during the period beginning not less than twelve months or more than twenty-four months immediately preceding the date on which such authority is to expire and the results of committee investigation and study shall be reported not later than one hundred and twenty days before such authority is due to expire. The bill further provides that the Comptroller General shall make continuing studies of presently existing as well as all future programs for grant-in-aid assistance from the Federal Government and furnish reports, together with recommendations, to the Congress. Finally the bill provides that each recipient of assistance whether under any new Act of Congress enacted after the effective date of this Act or any new grant-in-aid agreement, or extension, modification or alteration of any existing grant-in-aid agreement pursuant to existing law shall keep records in accordance with the requirements of the Federal agency administering the program.

The majority of the grant-in-aid programs administered by the Department of Defense, which includes direct research grants authorized by the Act of September 6, 1958, P.L. 85-934 (42 U.S.C. 1891), are excluded from periodic Congressional review by the language of this bill. Therefore, the Department of the Army, on behalf of the Department of Defense, defers to the views of other more directly affected Federal agencies.

Enactment of this bill would have no foreseeable fiscal effect on the budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

STANLEY R. RESOR, *Secretary of the Army.*

OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, D.C. June 11, 1968.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Intergovernmental Relations, Committee on Governmental Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for our views on S. 458, a bill: "To provide for periodic Congressional reviews of Federal grants-in-aid to State and to local units of government." and S. 735, a bill: "To provide for periodic review of Federal programs of grant-in-aid assistance to the States."

The Department of Transportation administers several grant-in-aid programs. The Federal-Aid Airport Program under the Federal Airport Act provides 50 percent matching funds for airport construction.

The Interstate Highway Program provides 90 percent federal funds, plus a bonus to States having large areas of public lands, for the construction of the 41,000-mile system of Interstate and Defense Highways.

The ABC Highway Program provides 50 percent federal money (plus some bonus) for construction of primary, secondary and urban extension highways.

The Highway Beautification Program provides 75 percent federal funds for billboard and junkyard control and 100 percent funding for landscaping and scenic enhancement.

The Highway Safety Program provides up to 50 percent federal money for assistance to States in implementing programs to meet federal highway safety standards.