

cerns displaced by federally aided programs. Although I have been retained by both public agencies and private business for advice and assistance, I testify as an individual and not on behalf of past or present employers. The scope of my testimony will be limited to those portions of the Bill dealing with uniform relocation assistance to business concerns. An outline of my professional qualifications and experience is attached to this statement.

For the convenience of the subcommittee, my testimony will be presented in summary form. If the subcommittee desires further details, I am prepared to amplify my testimony with examples and explanations based on actual experience.

SUMMARY

In my opinion, the Muskie bill should be enacted as soon as possible in its present form or with minor revisions. I believe the Subcommittee should consider the following points:

Unreasonable limitations.—Without the Muskie bill, federally aided highway projects in Massachusetts and other sections of the country will continue with an unreasonable and artificial limit on relocation payments. A Massachusetts business displaced by a federally aided highway project now receives a maximum payment of \$3,000 for moving, even if the actual moving costs are \$100,000. The present \$3,000 ceiling is not only unfair but illogical. Under the present system, the displaced businesses pay their share of taxes to support the highway programs and in addition they are forced to absorb a heavy share of the actual costs involved.

Unfair treatment of business concerns.—Without the Muskie bill hundreds of business concerns in the Greater Boston area, alone, will be displaced by new federally aided highway construction without full compensation for moving costs, while simultaneously, neighboring business concerns will be displaced by federally aided urban renewal with full reimbursement of moving costs.

Unfair treatment of public servants.—Without the Muskie bill, the Massachusetts Department of Public Works will be obliged to continue the unfair and distasteful practice of displacing businesses without full reimbursement of moving costs, while at the same time, local urban renewal agencies will be offering full reimbursement for moving costs to displaced business concerns.

Unfair treatment of employees and the community at large.—Without the Muskie bill, many workers will be forced to seek new employment because of business failures resulting from displacement of businesses without adequate compensation. Also, the community at large would suffer a general economic loss for every business failure that could otherwise have been prevented by fair, reasonable, and uniform relocation payments.

Lack of avenue of appeal in current programs.—Under current regulations covering relocation payments in either highway or urban renewal projects, a displaced business concern cannot contest the adequacy or the fairness of a business relocation payment in any court of law. As I interpret it, the Muskie bill would correct this inequity and allow an aggrieved claimant to take his case to a United States district court.

Lack of flexibility in present programs.—Current regulations encourage displaced businesses to move obsolete equipment at extravagant cost to the Government in order to qualify for reimbursement of moving costs, whereas the Muskie bill will allow a displaced business to install new equipment at the new location and claim the reasonable expenses that would have been required to move the old equipment. Under present regulations, there is no provision for advance payment for certain relocation costs, whereas the Muskie bill would allow the President to authorize advance payments in case of hardship.

Recommended revisions.—In my opinion, the Muskie bill should be subjected to three minor revisions.

Section 805(a)(2)(A) provides that a farm operator may be reimbursed for reasonable expenses in searching for a replacement farm. I suggest that the displaced business concern be given the same benefits extended to the farm operator. This is not a major item, but the distinction between the farm operator and the business concern does not seem consistent with the intent of the bill.

Section 805(a)(2)(B) provides that a business may install new equipment at the new location and claim an amount equal to the reasonable expense that would have been required to move the old equipment. The cost of moving old equipment often actually exceeds the cost of a new installation and I suggest that in these cases reimbursement should not exceed the actual cost of the new installation.