

Response

Our estimate of the annual cost for the highway relocation provisions of S. 698, with the modifications suggested by the Administration, includes the following items:

	<i>Millions</i>
For replacement housing assistance (21,000 eligibles averaging \$3,500)---	\$75
For rental assistance payments (38,000 units averaging \$500)-----	19
For cost of transferring property to the State (56,000 units average \$250) -	14
For business relocations in excess of amounts recommended in Highway Relocation Assistance Study-----	+5
For recommendations of Highway Relocations Assistance Study-----	60
Total -----	+173

These costs should decline in the next several years as land acquisition for the Interstate System tapers off. This estimate is considerably higher than an estimate of costs given by the Advisory Commission on Intergovernmental Relations. Their estimate of relocation costs due to highway construction was about \$33 million per year. The difference between the Federal Highway Administration estimate of \$173 million and the \$33 million apparently results because:

1. Our estimate includes the expected costs of the recommended expansions of the relocation provisions offered by the Administration.
2. Our estimates are based on estimated displacements for the 1967-1970 period received from the 50 states. We understand that the Advisory Commission on Intergovernmental Relations' estimate is based largely on actual 1967 fiscal year displacements.

The individual who made the calculation for us is not with us here in the hearing this morning. But we did check the point of how we arrived at that total figure. It is based upon a projection of actual cases; in other words, taking actual case experience and then applying it to our estimate of the 168,000 persons, families, businesses, nonprofit organizations, and farms to be displaced. So it is our obvious belief that it is a reasonable and reasonably accurate estimate of costs.

We are not raising the point, however, Senator, so that the record will not be confused, that this is too much money or that 1 percent or 2 percent or 3 percent is too much money. I rather would put it on the basis of the viability of a program, the realistic administration of a program where the Federal Government picks up the entire cost.

Senator MUSKIE. Well, certainly your position is not unreasonable. I do not suggest that. It is a perfectly reasonable proposition that the costs of this item be shared to the same degree that other costs are.

The response of those of us who are concerned with the bill to the opposition is that we think it is necessary because of the reluctance of the States to rise to this challenge, that because of the very severe human considerations involved, 100 percent Federal funding can be justified. Reasonable men certainly can disagree on that. I cannot even predict how our committee would divide on it, if at all. But I thought we ought to explore a little bit in the testimony here and give you a full opportunity to express your opinion.

I understand it fully, I think. Again, I do not consider it an unreasonable point of view, but I still may disagree with it when we are through.

Senator Baker.

Senator BAKER. Just for the sake of a thorough understanding of the reasons and justifications for your recommendation on the cost-sharing, I would like to run over it again, if I may. But before I do, I would like to ask you, is it within your contemplation that moving costs would be an element of damages and would be subject to litiga-