

of the Budget, in recognition of this problem has recommended this provision be amended by deleting the balance of section 803(c)(2) beginning with "such assurance" on line 18, page 39, and substituting the following: "the President may prescribe by regulation situations when such assurances may be waived; * * *." This Department concurs with the proposed change.

Section 804 provides that when lands are acquired by a State agency for a Federal public improvement project, such acquisition shall be deemed to be an acquisition by the Federal agency having authority over the project for purposes of providing relocation payments, assistance, and assurances. It is assumed that the purpose of this provision is to assure relocation assistance for individuals displaced when local interests provide the necessary lands for Federal projects, as in the case of navigation and flood control projects. Under existing statutory authorizations, a prerequisite for initiation of a local cooperation project is that the local interests furnish, without cost to the Federal Government, necessary lands, easements, and rights-of-way. It has been the view of this Department that any cost expended for the displacement of owners and tenants in this connection was an incident to the land costs to be borne by the locality. The Bureau of the Budget has recommended this section be amended to place primary responsibility on the local interests. This Department concurs in this proposal.

Section 805 provides authorization to the President to make such rules and regulations determined necessary to carry out the provisions of the act and also prescribes minimum legislative guidelines. This Department is generally in accord with these provisions subject to clarification of the several subsections as hereinafter stated.

Section 805(a)(2)(A) stipulates that the displaced person is to be paid for actual and reasonable expenses in moving himself, family, business, or farm operation, and as to a farm, the expense of locating a replacement farm. No reason is apparent for limiting this benefit to farm operations. Therefore, it is recommended that this subsection be amended on page 42, by deleting the phrase "in the case of a farm operation" commencing on line 5, and by substituting "property" for "farm" on line 7.

Section 805(a)(2)(B) stipulates that if personal property is disposed of in lieu of moving it and is later replaced at the new location, the owner shall be paid an amount equal to the moving costs. The underlying objective of this provision is to authorize payment of the difference between the sale price and the cost of comparable replacement property, but not in excess of the cost of moving. However, as presently drafted, the owner would be entitled to an amount equivalent to the full cost of moving irrespective of any difference between the disposal and replacement amounts. Consequently, with respect to standardized items of property, they could invariably obtain an unwarranted windfall. It is recommended that this subsection be amended by deleting the remainder of the paragraph following the words "such property" on page 42, line 10, and substituting the following: "with comparable property at the new location at a price exceeding the sale price, the amount of the difference of such prices, not to exceed, however, the estimated cost of moving the property or its market value, whichever is less."