

federal financial assistance for relocation and is most welcome by municipalities. While the price to the Federal government at first glance would appear high, the uniformity spread over the entire federal relocation assistance program accompanied by the other provisions of this title which will help overcome or substantially reduce the far more costly delay, confusion and frustration that now prevails from the welter of relocation policies, (with ensuing increased construction costs, expensive court suits, etc.) will by far, more than compensate for whatever additional program expense section 807(b) may create for the Federal government.

As the Bureau of the Budget pointed out the effect of the proposal (section 807(b)) would be to have the Federal government assume almost all relocation payments. We believe this to be fair. However, the Bureau of the Budget stated that it sees " * * no reason to exempt the first \$25,000 from the usual [program] sharing requirements." The rationale for this suggestion appears to be one of economy.

We strongly oppose this suggestion. The adverse effect of this proposal on municipalities would not be worth the questionable savings to the Federal government.

The Federal highway program is the greatest consumer of federal relocation dollars and moves far more people than any other federally assisted program. Under the B.O.B. proposal, the Federal government would still have to bear 90% of the relocation costs. The additional 10% of the cost could be absorbed far more easily by the Federal government than by an individual city faced with relocating an exceptionally large number of businesses and families because of highway construction. For example, most of the large relocation task in order for the city of Nashville as cited by Mayor Briley, will be caused by construction of Interstate 40.

Moreover, this proposal fails to recognize the already considerable expense borne by a city in any relocation undertaking, be it federally assisted or not. Most federal programs involving relocation require that cities have working relocation programs in effect before they become eligible for federal relocation assistance. A city must, therefore, provide a whole range of services, including planning, at its own expense aside from the federal assistance it would receive.

In some cases, notably urban renewal where a $\frac{2}{3}$ - $\frac{1}{3}$ matching formula generally prevails in the basic program, a similar matching requirement for relocation expense would reduce the amount of relocation assistance presently received by cities from the federal government. Thus, introducing a variety of matching formulae defeats the objective of uniformity title VIII seeks to achieve.

In summary, cities deeply involved in revitalizing themselves are already pressed to the limits of their financial ability by the sheer costs of such revitalization including the major expenditures required to match federal assistance. The effect of the B.O.B. proposal would be like the straw that broke the camel's back to many cities or at least to bring about further delays while additional local matching funds are literally "scrounged" out of other monies already tightly budgeted for local programs.

We also oppose the suggestion that the effective dates of sections 807, 808 and 810(a) (4), (5), (6), (7), (8), (9), and (10), be delayed three years after enactment of the bill. We see no reason why it should take three years for federal assignment of new responsibilities and drafting of new regulations. We fully believe these provisions should be applicable with the 180-day period assigned the rest of the bill so that local governments can immediately be relieved of the financial strains and other improper conditions title VIII seeks to correct.

In conclusion, we strongly urge that section 807(b) not be amended as the Bureau of the Budget has suggested.

For the Committees' additional information, we are submitting a statement filed jointly by the National League of Cities and National Association of Counties with the House Public Works Committee on the subject of relocation and the highway program.

Sincerely,

NATIONAL LEAGUE OF CITIES,
PATRICK HEALY, *Executive Director*.
U.S. CONFERENCE OF MAYORS,
JOHN GUNTHER, *Executive Director*.