

U.S. DEPARTMENT OF TRANSPORTATION,
FEDERAL HIGHWAY ADMINISTRATION,
Washington, D.C., June 25, 1968.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Intergovernmental Relations, Committee on Govern-
ment Operations, U.S. Senate, Washington, D.C.

DEAR SENATOR MUSKIE: This is in response to your letter of June 13, 1968, requesting certain information for the record in connection with S. 698, the proposed Intergovernmental Cooperation Act. We understand from Mr. Turner, Subcommittee Counsel, that you wish to learn changes in our procedures since January 1, 1965. For convenience, we have restated the specific requests in your letter followed in each case by our responses:

"(1) A description of any changes in your agency's relocation assistance and compensation policies, procedures and benefits made subsequent to your report to the Select Subcommittee on Real Property Acquisition, as published in December, 1964."

There have been some changes. The more significant ones are the following:

(a) Notice must be given to a property owner as to availability of relocation assistance in 15 days after the start of negotiations on a parcel where such negotiations commence less than six months before possession is needed. Bureau of Public Roads Policy and Procedure Memorandum (PPM) 80-5, issued April 20, 1967. See also par. 9c, 21-4.4, May 24, 1966.

(b) In the case of a business move, claimants may be paid on the basis of the lowest reliable estimate, and the cost of such estimates are eligible cost items. Par. 3m(1), Bureau of Public Roads Policy and Procedure Memorandum (PPM) 80-5, December 27, 1967.

"(2) A description of any changes in policy or procedure relating to the evaluation, appraisal, negotiation and acquisition of real property made subsequent to your report and answers to questions given to the aforesaid Select Subcommittee, as published."

(a) With respect to delivery of payments to grantors of right-of-way, no Federal-aid participation in the costs of rights-of-way or related incidental costs is permitted where payment is delivered by the appraiser or negotiator on a parcel. IM 21-7-65, April 20, 1965.

(b) Where Federal-aid funds are participating in the cost of right-of-way, the property owner shall not be required to surrender physical possession of the property until payment of 75 percent or more of the established fair market value has been made available to the property owner without prejudice. The payment can be made available by direct tender in negotiated cases or by deposit into court in a condemnation case, provided the condemnee has the right to draw against such deposit. Federal funds will not be available for interest payments after the date payment has been made available on that portion of the final settlement or award represented by such partial payment. IM 21-9-65, September 13, 1965.

(c) Federal-aid participation in right-of-way costs will not be permitted unless the property owner, in the first instance, has been offered in writing the established fair market value of the property to be taken for highway purposes. The mere sending of a letter to that effect is not sufficient; personal contact must be made and the full effect of the taking explained to the property owner. At the same time, the owner is to be supplied in writing, with an explanation of the steps available to him, if he elects to reject the State's offer, IM 21-14-65, November 30, 1965. See also IM 21-2-67, January 27, 1967.

(d) A written statement must be filed by the negotiator, after each contact with the property owner, indicating the substance of the contact. A certification must also be filed as to the negotiator's interest, when negotiations are successful. PPM 80-4, April 17, 1967.

(e) Simple value findings, rather than formal appraisals as such, and short form appraisals are authorized, defined and encouraged for use. Value findings are confined to properties of \$250 or under, and short form appraisals to \$2,500 or under.

(f) Original appraisals must be retained for a period of not less than three years from the date of payment of the final voucher. Any requests for correction or revision should be in writing, setting forth the reasons for the request. CM, February 3, 1966.