in the law by the Congress, the more confusion there is, the more delay there is, and the more maneuvering that goes on. Often the delay resulting from this kind of negotiation on an administrative basis, first through the regional office which takes maybe 6 months, then going to Washington for perhaps another 6 months, and then differences are balanced out, and by that time we have lost a year or so. The uncertainties in this kind of administrative judgment, I think, lead to confusion rather than to speed of action.

Also I think there is some question as to principle.

Even with clarification of the proposed legislation however, it seems to me that basic concepts are being jeopardized.

The user charge provisions as a whole should be eliminated and replaced by a general provision requiring the Secretary to obtain necessary assurance that the locality will meet its financial commitments.

3. Ten percent maximum debt service contracts per State. H.R. 15907 provides that contracts in any one State in any 1 year shall not exceed 10 percent of the total amount available for contracts in that fiscal year.

I am opposed to any ceiling which is arbitrary and not related to needs. Ceilings often tend to discriminate against those States in which needs are greatest. In other words, a small State can get 10 percent of the total, can go way beyond its actual percentage in terms of need; whereas a large State which has needs equal to or beyond the 10 percent cannot. I would like to give an illustration as to what effect this would have in New York State.

While the bill does provide that any contract funds not obligated within a particular year shall be available in the next fiscal year without regard to the 10 percent per State limitation, this could delay the start of approved projects.

The 10-percent limitation also raises a very practical question in the case of large sewage treatment plants.

In New York City, one project alone is estimated to cost $220 million. Under the 10-percent limitation, New York State could receive in fiscal 1969 a contract allotment of $47.5 million.

Under the grant program, New York could receive approximately $17 million. Thus, the total available to the State would be $64.5 million, but the Federal share of this one plant would be $121 million.

The 10 percent per State ceiling should be removed. If there are to be limitations, however, they should be related to need and speed.

4. Prefinancing. In 1965 and again in 1966, I called for Federal encouragement of State and local action by authorizing Federal reimbursement from future allocations if States and localities prefinanced the Federal share of the cost of constructing municipal sewage treatment plants. Your committee was most understanding and most responsive to this concept.

H.R. 15907, however, eliminates this provision. It would not provide for reimbursement for projects initiated after July 1, 1968.