ing users of property; to minimize right-of-way costs by forestalling development of land ultimately required for highway purposes, and to achieve a rational development of communities. . . ."

2. Would revised section 108(a) authorize initial *100% Federal* financing of right-of-way acquisition?

Answer: No. The financing provisions as now contained in existing law would remain in effect.

3. Could money under section 108(b) be used for making payments on account of relocation costs of displaced persons?

Answer: Yes.

4. I would appreciate your clarification of section 14 of H.R. 17134 with respect to fringe parking facilities:

(*a*) Reference is made in the proposed new section 139 of title 23, United States Code, to the "established grade line of the right-of-way." In practically all instances there is no established grade line of the *right-of-way*, although there is an established grade line of the highway structure itself. Should section 14(b) be amended to refer to the established grade line of the highway, rather than the right-of-way?

Answer: Yes.

(*b*) If a proposed fringe parking area is located equi-distant from a Federal-aid primary highway and an Interstate highway, how will it be determined whether the funds for the construction of such fringe parking facility will be taken from Federal-aid primary apportionments or from Interstate apportionments?

Answer: This would be determined by the route that the transit service is expected to use in reaching its final destination.

(*c*) The proposed new section 139 would authorize the use of Federal funds for the construction of fringe parking facilities upon the right-of-way of a highway, or upon property *acquired* for that purpose. Would this narrow language preclude the use of Federal funds to aid in the construction of a parking facility upon land which may have been previously owned by the State or municipality involved, or may be received as a gift or otherwise?

Answer: We do not interpret the language as prohibitive of the use of lands acquired for highway or other purposes for fringe parking provided the other requirements of this section are met.

5. Section 131, title 23, United States Code, as enacted by the Highway Beautification Act of 1965, provides a penalty for failure to control outdoor advertising through the means of reducing the apportionment of Federal-aid highway funds. Federal-aid funds for fiscal year 1970 will probably be apportioned in late summer or early fall of this year. You are on record as stating that there will be no penalty for failure to comply with the requirements of section 131 during 1968. Funds authorized for fiscal year 1971 are expected to be apportioned in the late summer or early fall of calendar year 1969.

(*a*) If the prescribed penalty is imposed upon a State would it be done at the time of apportioning funds authorized for fiscal year 1971 or at some other time?

Answer: Section 131(b) provides in substance that Federal-aid highway funds apportioned on or after January 1, 1968, to any State which the Secretary determines has not made provision for effective control of outdoor advertising shall be reduced by amounts equal to 10 percentum of the amounts that would otherwise be apportioned to such State under Section 104 until such time as the State shall provide for such effective control. However, the Secretary, whenever he determines it to be in the public interest, may suspend for such periods as he deems necessary the application of this subsection to a State.

The language of this section provides sufficient latitude for the Secretary to reduce the State's apportioned funds by 10 per centum of the amounts apportioned either at the time of apportioning or at some later date when the Secretary determines that such action may become necessary.

(*b*) If a penalty can or may be imposed at a time other than the time of apportionment of funds authorized for fiscal year 1971, in what manner and by what means would such a penalty be imposed?

Answer: If a 10 per centum reduction in apportioned funds becomes necessary at the time of apportionment of funds authorized for fiscal year 1971 or at any other time, the manner and means employed to institute such a reduction will be in accordance with Section 131(l) which, in addition to various other detailed procedures, provides that not less than sixty days before making a