Secretary BOYD. Yes, sir.

Mr. CRAMER. No, I have before me a copy of the letter dated March 29, 1968, from Secretary of Transportation—yourself—to Mr. F. J. MacDonald, chairman of the Governor's Commission on Arizona Beauty. The letter addressed itself to the question of imposition of a 10-percent penalty for failure to comply with the Beautification Act.

In that letter you state:

> For these reasons we feel that the Arizona Legislature will have, during its current session, ample opportunity to consider appropriate action. In the absence of some unforeseen development, I can see no reason to delay further the imposition of the penalty beyond January 1, 1969, should the Legislature fail to act to provide effective control during 1968.

Now, we had an understanding, I thought, up until money was made available and an authorization provided, this penalty was not going to be imposed. Is it your intention to impose it as of January 1, 1969, in all instances where States have not acted?

Secretary BOYD. No, sir. In fact, I think I stated in my testimony that there would be cases in 1969 where the legislatures had not had an opportunity to act. I do not recall any understanding on our part other than a statement I made that we would not impose the penalties or attempt to impose the penalties during 1968.

Mr. CRAMER. It is your intention of imposing it in 1969?

Secretary BOYD. Yes, sir.

Mr. CRAMER. Even though Congress does not authorize money for the program? It has not done so this year or last year.

Secretary BOYD. Obviously, as I tried to state before, we are trying to use some commonsense in how we approach this matter, and I am not making any commitment to impose any particular penalty on January 1, 1969. I think at that stage the burden will be upon the States, however.

Mr. CRAMER. Well, then if you feel that the States, such as Arizona, have had an opportunity to carry this burden and act of legislation has not done so, as you advised Arizona, it would be your intention to impose a penalty as of January 1, 1969; is that correct?

Secretary BOYD. As long as I am in this office, I intend to carry out the provisions of the laws.

Mr. CRAMER. Well, as I recall, the provision of the law was that it was supposed to be imposed this year.

Secretary BOYD. That was on the assumption that the legislature had a chance to operate, to act on it.

Mr. CRAMER. Well, if Congress does not authorize money for 1969, you would still impose the penalty?

Secretary BOYD. I will look at that situation on the 1st of January.

Mr. CRAMER. Well, I would just suggest that that would seem to be a pretty clear implication of your letter, which did not relate to whether Congress authorized and appropriated money or not. It was strictly on the basis of whether Arizona enacted control legislation. Now am I misreading it?

Secretary BOYD. I think the letter says, if I remember, there would appear to be no reason for not imposing the penalty. It may be that a reason develops. I am not prepared to meet that issue today, because it is not a current issue.