on the same fiscal year basis as the biennial ABC highway program authorizations. The contract authority provisions of the Federal-aid highway legislation would apply to the highway beautification program, as provided by the Federal-Aid Highway Act of 1966 (79 Stat. 1030, 1032).

Authorization is included for a deduction not to exceed 5 percent for administration. A flat percentage for administrative expenses would provide for the handling of administrative expenses under the Highway Beautification Act of 1965 in the same manner as for the regular Federal-aid highway programs and the State and community highway safety programs.

Section 8(a) would authorize the sum of $5 million to carry out the provisions of Section 131(m) of Title 23, United States Code, during the fiscal year ending June 30, 1969, and like amounts for fiscal years 1970 and 1971.

This section of the code provides for outdoor advertising control along Interstate and Federal-aid primary highways, under Title I of the Highway Beautification Act of 1965. Last year your Committee held very comprehensive hearings concerning the Highway Beautification Act, with particular emphasis on outdoor advertising control. These hearings served a special purpose in clarifying the issues and removing the uncertainties which had inhibited the implementation of the program up to that time. Since then we have been making steady progress.

About a year ago, I directed the Federal Highway Administrator to proceed as expeditiously as possible to work out agreements with the States for implementation of the Act. Since then, 17 outdoor advertising control agreements have been signed, and we are close to agreement with a number of other States. Thirty-one State Legislatures have enacted laws providing for control of outdoor advertising under Title I of the Highway Beautification Act, and the Legislatures of other States are presently considering such legislation or will do so during their next regular session—many in early 1969.

This progress has not been brought about, I am pleased to say, by the penalty provision in Section 131(b) of the Act. On June 27, 1967, I stated that we had no expectation of imposing any penalties during the year 1968 or, for that matter, in early 1969 if a State Legislature would not have an opportunity to act during 1968. Almost all of our agreements were negotiated and executed after my statement. Participating States are, like us, interested in progress, not penalties.

The Committee will recognize that the amounts of money being requested are considerably less than the total needed to completely implement the outdoor advertising control title of the Highway Beautification Act. In the light of the grave responsibilities facing the nation in other areas, this is at it should be.

The passage of control laws by the various States, and the execution of control agreements, has already begun to stem the tide of billboard blight by prohibiting new signs in areas affected by the Act. Most States, moreover, have elected to carry out the control operations envisioned in the Act through the granting of a permit at a nominal fee. This one feature alone will work to remove many of the obsolete or uncared for signs which heretofore have been allowed to rot and decay in full view of the passing motorist.

The initial outdoor advertising control legislation enacted in 1958 (§ 131 Title 23 U.S.C.) provided for payment of a bonus of ½ of one percent of the construction costs for eligible segments of the Interstate System from a continuing authorization and special appropriation for this specific purpose. Pursuant to that legislation, 25 States entered into bonus agreements with the Secretary. The Highway Beautification Act of 1965 amended the earlier authorization to require payment of eligible bonus claims out of funds specifically authorized to carry out the provisions of the 1965 Act.

The Federal Government is obligated to provide adequate funding to continue payment of bonus claims submitted by the States in accordance with their bonus agreements. We now have on hand for processing approximately $280,000 in pending claims, and are continuing to receive additional claims. As of May 13, 1968, we had available only $60,000 to pay bonus claims. Future bonus payments, after expenditure of the available $60,000, are required to be made from funds authorized to be appropriate under this section.

Section 8(b) would authorize the sum of $10 million to carry out the provisions of Section 136(m) of Title 23, U.S.C., during each of the fiscal years 1969, 1970, and 1971.

Section 136(m) provides for the control of junkyards in accordance with Title II of the Highway Beautification Act of 1965. There has been ready acceptance by the States of this program, as evidenced by the fact that 40 States have thus