way. California has made more advance use of that concept or as much as any State that I know of.

Will you describe what you consider to be the advantages of having advanced acquisition?

Mr. Rhyner. As was indicated this morning, Mr. Cramer, California has approximately $30 million in a revolving fund and it has had it for a good number of years.

Right-of-way is acquired under that fund for two basic purposes, the first is a hardship case where a freeway is not going to be built for several years and for one reason or another, the owner has not moved.

The other reason is a matter of stopping. It is very extensive improvements which are going to be placed on the property and in those instances, the State confidently says it has saved at least $100 million. I am confident of that figure. It is just amazing, and I think that a revolving fund in this respect is most important because it keeps replenishing itself.

We have $30 million and I note that the Department of Transportation bill has $100 million in it, so you can compare the two and California can be compared against the 50 States.

Mr. Cramer. By that you think the $100 million is inadequate?

Mr. Rhyner. It may be if it is going to accomplish the entire purpose.

Mr. Cramer. The bill I proposed contained $100 million at 3 years and at the end of 3 years it would be $1 million in a revolving fund.

Mr. Helwer. I would say $300 million for 50 States would probably not be too much.

Mr. Cramer. Do you limit the expenditures under your program to the two categories you described, hardship and preventing improvements so that it would cost more later?

Mr. Rhyner. No, this is the matter of the policy of the California Highway Commission.

There is a provision in State law that we cannot acquire property for any other purpose, other than those two purposes without having a freeway agreement from the local people.

Once we have a freeway agreement, then it is a matter of policy of the California Highway Commission and they have passed a resolution.

Mr. Cramer. By freeway agreement, do you have an approved location as determined by the procedures or what?

Mr. Rhyner. A freeway agreement is entered into under California law between the State and the local governmental agency involved whereby the local agency agrees that we may close certain streets and until that is done, as I say, we only acquire for these two purposes under State law, and actually as a practical matter, those are the only two purposes that it is used for.

Mr. Cramer. You have any limitation on how long after the loan has been paid and in effect from the revolving fund a highway must be constructed or a limitation on when it may be constructed, first when it has to be constructed within a certain number of years or cannot be constructed within a certain number of years?

Mr. Helwer. If construction is imminent, and by that I mean within 5 years, we do not use this fund.