coordinated under one relocation agency. Presently, relocation is the secondary concern of various agencies responsible for implementing improvement programs requiring relocation. Assigning relocation responsibility to a single agency whose primary concern and experience would be in the field of relocation will assure more equitable and efficient relocation of displaced persons, while leaving the normal operating agencies free to pursue their assigned responsibilities in connection with construction programs to improve urban areas. Federal grant-in-aid programs must be reviewed to assure that participation of a separate relocation agency, as an integral part of implementing the grant program, will be permitted, and can be supported.

(4) Efforts must be made to eliminate the great disparity which presently exists between relocation programs in connection with various federal, state and local improvement programs. There is much discontent with the highway relocation program in urban areas because relocation payments under the urban renewal program are so much greater than those under the highway program. This disparity of payments is very difficult for citizens displaced from similar properties to understand and creates much frustration for those receiving the lower payments. In addition, if a single relocation agency is to be responsible for the relocation program, as we believe necessary, great disparity in relocation payments must be eliminated.

(5) Finally, and most important, a new highway relocation program must make the displaced person whole again. It must place him in a home or business at least equal to that he had before, and on the same terms and conditions as he enjoyed before relocation. If this cannot be done, the individual should receives adequate compensation for his loss. In many cases, particularly in lower income neighborhoods with a limited supply of comparable housing and business locations, payments above the fair market value of the acquired property and above the limited compensation for moving expenses presently provided will be necessary.

Title VIII of H.R. 5523, the Intergovernmental Cooperation Act, would equalize relocation payments made in connection with Federal grant-in-aid programs, and substantially improve the level of relocation compensation available. Title VIII would permit the federal government to reimburse 100 percent of state and local governments payments for relocation expenses and damages up to $25,000 for each individual or business displaced as a result of a federally aided program. A cost sharing formula is established for any portion of relocation costs above $25,000 per displacement. We believe that this is an excellent approach and would broaden relocation compensation sufficiently to limit much of the frustration that now occurs over the compensation problem.

The Advisory Commission on Intergovernmental Relations estimates that application of this formula to the highway program would raise relocation costs by approximately $29 million annually. It is our opinion that by adopting this approach expensive delays and revision of highway plans occasioned by citizen opposition would be avoided, and that the total cost of constructing the highway would actually be reduced. As the recent report of the American Association of State Highway Officials notes in citing the need for a greatly expanded and more expensive relocation program:

"Some of the efforts to save existing homes, many of which are in run down condition, involve expensive additional construction costs for retaining wall construction, and the like, to restrict the right-of-way widths so that the homes in question can be left in place. In fact, the additional highway construction costs involved may run to more than twice the cost of new replacement housing.

"This additional cost is a rather substantial item when considering the very real cost of substantial delay in getting the project under way and under traffic, for highway costs definitely increase each year that the project is delayed."

Over the past few years, it has been estimated that highway costs have risen annually about three percent as a result of inflation, however, reports by AASHO indicate that presently inflation may be raising costs five or six percent annually. A report by the city of Chicago indicated that last year highway construction costs in and around Chicago went up 12% as a result of inflation. If these more recent inflation pictures are projected onto the whole highway program, or at least that part of it in urban areas, the very real benefits from avoiding delay attributable to opposition to relocation programs and other factors are apparent.