to be $15,399,000 and annual benefits are estimated to be $19,827,000. The benefit-cost ratio is 1.3.

For the bank stabilization improvements local interests are required to furnish flood control a, b, c's; and for the reach from Index, Ark., to Denison Dam, provide a cash contribution for land enhancement amounting to 26.1 percent of the estimated Federal cost of construction, such construction is now estimated at $20,127,000. For the navigation improvements local interests are required to furnish all lands, easements, and rights-of-way, including lands for recreational development; hold and save free from damages, including those resulting from dredging, changes in ground water level, and wave action; provide a proportionate share of the cost of bridge alterations over existing channels; assume all obligations of owning, maintaining, and operating all railway and highway bridges altered or constructed as part of the navigation project; make alterations in and maintain utility facilities; and obtain water rights that may be necessary for operation in the interest of navigation. For the recreation developments, make contributions of at least 50 percent of the total first cost of that development; operate and maintain the recreational areas and facilities.

With respect to the recommended requirements of local operation, I refer to an enclosure attached to this statement which is intended to clarify certain aspects of their intended application.

This document notes that it is the intent of the report that the navigation servitude apply to alterations or relocations of facilities in or over navigable streams. This means that the owners of these facilities would bear the relocation and subsequent operation and maintenance costs. In the case of highway and railway bridges, the cost-sharing principles of the Truman-Hobbs Act would apply, except that, in the case of highway bridges, alterations or relocations will be performed in accordance with applicable design standards existing at the time of alteration or relocation, in accordance with the principles of section 207 of the Flood Control Act of 1960, as amended, and any improvement in the structures arising from these design standards will be at Federal expense, and not considered a betterment as defined in the Truman-Hobbs Act.

All other relocations, including necessary lands, easements, and rights-of-way, are the responsibility of the local sponsors of the project, with two exceptions. Where a new highway bridge is required because of a land cut, the construction cost of the bridge will be a Federal expense. Relocations of all railroad facilities not subject to the navigation servitude will be at Federal expense. The necessary rights-of-way in both instances are to be furnished by the local sponsors.

Operation and maintenance of all facilities to be altered or relocated by the Federal Government or local sponsors will normally be performed by the owners. The capitalized operation and maintenance costs of a newly introduced movable span feature in railroad bridges spanning new land cut navigation channel segments may be borne by the Government as part of the relocation construction expense.

I would also note that the entire cost of Harvard Reservoir construction and operation is to be at Federal expense, as indicated in the text