

No Disagreement on Road Need

Since all witnesses testified to the continued need for road improvement, the first dissent came on the question of whether the President's "Grand Plan" is necessary.

First Issue Directed to Validity of
Estimates

The issue arises out of the question of whether the preliminary estimates of studies made by the state, county and city officials, assembled by the former and compiled by the U. S. Bureau of Public Roads, are correct. The question is pointed up in the testimony of the American Petroleum Institute, echoed later by the witness for the Private Truck Council of America, Inc.

The issue is stated by the American Petroleum Institute (on page 155-156 et seq) as follows:

"Until the recent estimate of the Bureau of Public Roads was received by us, we had been expecting that the estimated need for highway construction alone during the next ten years would amount to approximately 50 billion dollars. As I have previously indicated, various experts had given estimates approximating that figure.

"After taking into consideration the present level of Federal aid, the anticipated revenues from highway user taxes and other available funds, and after making liberal allowance for maintenance, administration, debt service, etc., we estimate that during the next ten years there will be available for construction expenditures alone more than 50 billion dollars. We believe that our estimate is sound and conservative and that there will be sufficient funds available to meet all needs heretofore indicated by the experts." (pp 155-156)



As noted by Alf Johnson, President of the American Association of State Highway Officials, in his testimony on page 167:

"In that Federal Act of 1954, Section 13 requested a study, an appraisal, an estimate of what highway needs are, not only on the Federal aid assistance, but on the roads, streets and highway systems. That is where the \$101 billion comes from, to which you referred just a moment ago.

"There have been some upgrading maybe of the interstate standards in that estimate. I refer to the standards as adopted by the American Association of State Highway Officials in 1946. We are basing those standards now on what we think traffic will be in the year 1974."

It is worthy of note that in the testimony of the American Petroleum Institute witness, where he refers to this study of the Joint Committee on the Economic Report, he quotes this sentence from that report, on page 154:

"The total cost of correcting the present deficiencies on the highways, roads, and streets of the Nation is estimated at \$41,144,630,000."

It is further stated by officials of the Bureau of Public Roads that the other studies referred to by the Institute witness were based on present needs and on existing traffic.

Members from the Automotive Safety Foundation - on page 71-72, said:

"We have received from your Committee the preliminary estimate furnished by the Bureau of Public Roads of highway needs on a 10-year program basis, and our engineers also have had opportunity in the field to examine procedures and standards used by the Bureau in gathering the data from the states, cities and counties.

"We believe that with the possible exception of the needs of the Interstate system, the estimates now before you fall substantially in the same range as those indicated by the state studies made by the Automotive Safety Foundation.



"Although the needs vary greatly among the states, our engineers have found, after careful and detailed investigation, that construction requirements on a 10-year basis exceed current expenditures in all cases.

"The Bureau of Public Roads in making the present study at the direction of Congress is applying design standards to the Interstate System which are somewhat higher than we have used in the past to measure needs on that system. Accordingly, the estimated requirements probably will be correspondingly higher.

"The preliminary estimate of total needs at \$101 billion indicates the size of the highway job to be done if deficiencies are to be eliminated. The President's plan to eliminate them in a 10-year program is a challenging proposal, but one which we are convinced is economically justifiable from an engineering and traffic needs standpoint.

"The breakdown of the final total needs figure, when that becomes available, showing the relative needs on the several systems of roads and streets, is also of the utmost importance. Each of these systems has an essential role to play in our economy, our social life and our national defense. Each has a backlog of deficiencies. And each has its own protagonists, who very properly seek to get much-needed improvements scheduled."

The Witness for the National Association of Motor Bus Operators, has no doubt, on page 143-144,

"That we could make good use of highway facilities even more extensive than those contemplated by the \$101,365,000,000 figure for a 10-year program. The health of our national economy is heavily dependent upon the prosperity of highway transportation,..... the welfare of the 9.5 million employees whose livelihood depends upon highway transportation is also involved. There must be relief from the tremendous waste that now results from traffic congestion."

Some questions about the details of figures were raised by the American Trucking Association and the Truck-Trailers Manufacturers Association.



Farm Witness Questions Expansion

The witness for the American Farm Bureau Federation, speaking in advance of the annual meeting to be held in December where changes may be made in their policies, said (page 28):

"The American Farm Bureau Federation does not consider that the highway situation is so hopelessly inadequate as to warrant the tremendous expansion in federal expenditures that is proposed."

This position was based on ... "a strong belief in the concept of states rights and responsibilities, in the importance of maintaining strong, independent and responsible state and local government." (page 31)

The representative of the National Grange, speaking in advance of their annual meeting in November, said: (page 11)

"I am not at all certain that our Delegates will favor an increased expenditure for highway construction of \$50 billion in the next ten years. Certainly, the method of financing such a program, where and how the money will be spent and other factors will be reviewed with detailed care by our Delegate Body."

All other organizations testifying applauded the President's program, except the Chamber of Commerce of the United States, which could take no position at this time on it.

Impact Of Program On Industry and Economy

The witness for the Automobile Manufacturers Association said, (page 6):

"In a statement to the Subcommittee on Roads of the House Public Works Committee, in July of 1953, the Automobile Manufacturers Association reported that its own studies of cost penalties resulting from inadequate and unsafe roads and streets showed that at least \$3 billion yearly were being wasted in



excessive fuel consumption, tire and brake wear, needless traffic accidents, and time losses for commercial vehicles with paid drivers."

The National Association of Motor Bus Operators suggested that the impact of this program on the construction industry should be carefully weighed (page 144).

The National Grange raised the question of possible inflationary effects, page 15.

The AASHO (page 172), The Private Truck Council (page) and the National Assn. of Township Officials (page 92), raised the question of adequate engineering personnel in the departments. The Associated General Contractors (page 107) agreed on the necessity for meeting this problem, saying that they:

"had been working with the State Highway Officials, American Society of Civil Engineers, and the American Society for Engineering Education on the improvement of the education of young engineers, on their early training, and their professional employment.

"Much has been done, but much yet remains to be done to make engineers' salaries in highway departments commensurate with their duties and responsibilities. We will shortly make a recommendation to you on that subject."

The American Road Builders' Assn. (page 56-57) said it is making a check of "the respective abilities of all segments of highway industry to carry out an additional \$50 billion road building program within the next decade."

Contractors Can Do Job Economically

The Associated General Contractors presented detailed evidence of the ability of the contracting industry to do the job, saying (on page 98):



"The principal point on which highway contractors throughout the country can give you assurance is that the highway contracting industry has the capacity to carry out the greatly expanded highway program proposed by the President; that the work will be done efficiently and economically; and that the public will receive continuously greater value for its investment in highway construction."

The witness for the Township Officials called attention to the need for preparation of a backlog of plans (page 91).

The Automotive Safety Foundation said (page 73):

"To the extent that factual measurement of need is used as the basis for development of the construction program, it will be a balanced program."

Need for Modernization of Laws

The need for the modernization of laws to permit acquisition of rights-of-way in advance, and the right to build controlled-access highways, was noted by the AASHO on page 173; supported by the Conference of Mayors (page 50), and by the Automotive Safety Foundation, page 73.

There should be a study of the constitutional limitation and the right to issue bonds in the judgment of the ATA (page 125). The National Grange called attention to these limitations also (page 20).

Township Officials took note of the need for legislation to prevent deterioration of highways through "various distracting and obstructing businesses" (page 93)

The need for laws to permit integration of state, county and highway authorities was pointed up by the Automotive Safety Foundation (page 73) and concurred in by the National Association of County Officials, page 79. The Foundation suggested that one way to achieve modernization of state statutes, the case of rights-



of-way and control of access was to make it a prerequisite to the use of Federal funds (page 76).

Credit Financing and Ways of Providing It

Credit financing, in one form or another, was suggested by most of the organizations making appearances.

The ATA proposed a central banking system (page 124); the same thesis was advanced by the ARBA (page 54), with the comment that:

"... the first step would be the creation of a Federal highway financing agency strongly capitalized and fully empowered to issue tax exempt securities for the purpose of raising revenues to assist in the financing of highway improvements at State and other local levels. Such financial assistance could be in the form of loans, the purchase of local securities, the guarantee of such securities, or any combination thereof. Such Federal assistance should be made available on equal terms regardless of whether the improvement in question be a so-called toll road or free road," based on the useful life of the road."

The American Municipal Association proposed that the permissive use of Federal funds on a 60-40 basis to retire bonds should be made mandatory (Page 259). They went on to urge the use of Federal credit to enable the states to issue bonds based on user taxes (page 268).

The NAMBO spoke for limitation of Federal-Aid to federal responsibility (page 130) and urged a careful distinction between need and luxury use, with a consequent reduction in other Federal appropriations for roads, suggesting that the Federal Government could guarantee state bonds or issue its own -- expressed preference for the former system (page 139).



The Automobile Manufacturers Association approved the credit financing principle on a ten-year plan (page 6).

The Grange suggested that if bonds were needed for the Interstate System, they should be issued through commercial banks (page 13).

The Independent Advisory Committee to Trucking Industry endorsed Federal financing and said it was needed (page 43-46).

The Conference of Mayors joined the American Municipal Association in requesting Federal help through Federal financing for the cities, for roads in the Interstate System and on other roads (page 251).

The AAR recommended that Federal taxes should be revised on a graduated point basis and spoke for need of weighing machines to protect the Federal roads from undue damage by trucks (page 219). The AAR suggested that in lieu of Federal aid, the Federal Government could lend capital money to state and local governments which would be required to pay such advances from the proceeds of highway charges (page 218).

Highway Group Suggests Gas Tax as Credit Base

A small committee of State Highway Officials, speaking as individuals, (page 168) considered the "utilization of the Federal two per cent gasoline tax, the capitalizing of the amounts of money earned by at least that much, making use of the favorable credit rating by the Federal government which it might have in providing in ten years an interstate system of highways for the economic welfare and the defense of this nation." The Western Association of State Highway Officials (page 169) adopted a resolution which is very much in line with the utilization of the two per cent



gas tax. The Southeastern Association of State Highway Officials, meeting recently in Nashville, adopted a resolution along the same line.

Alf Johnson, speaking for the small committee of State Highway Officials, says (page 170):

"We are of the opinion that only by financing the interstate system 100 per cent by the Federal Government for the construction, can we achieve the interstate system in a reasonable length of time and have it completed within all of the states at the same level."

Repeal of Gasoline Tax

Repeal of the gas tax was urged by NAMBO (page 132) with the suggestion that general funds take its place; by the Truck-Trailers Manufacturers (page 281); by the American Farm Bureau (page 32); the National Grange (page 19), by the American Petroleum Institute (page 160), which pointed out that there was no relationship between the gas tax and Federal expenditures; by the Private Truck Council (page 239), and the Township Officials (page 90).

The ATA ((pp 116-118) stated its opposition to Federal excise taxes but stated that the realistic view recognized that sufficient action would not be taken and, therefore, suggested that funds for highway purposes be equivalent to such Federal gas taxes.

The AASHO takes the position that the gas tax should not be linked to the road program but equivalent amounts should be spent for it (page 170).



The AAR feels that the tax should be modified to include the weight-distance principle (page 218).

Linkage Theory

Because of the fact that most of the organizations are opposed to the continuation of the gasoline tax, linkage was brought into the record by only three organizations -- the ATA (page 118), AASHO (page 170), Farm Bureau (page 33),

Suggestions for State and Local Taxation

The ATA recommends that any need for increased state revenue should be based on use and motor vehicle registration taxes (page 119). They further suggest emphasis on the pay-as-you-go-basis, with bonds as an alternative (page 131).

The Bus Operators would bring in property tax (page 135) and would also overhaul the present system of taxation. They suggest objective state studies (page 135). Where credit is needed they would base it on state highway user revenue (page 140).

The AAR, speaking for a national highway policy, suggested that the states should adjust its user taxes to such a policy (page 218). The Farm Bureau stressed opposition to the property tax (page 34) and the Automotive Safety Foundation suggested studies of fact as a basis (page 76).

Toll Roads Are Approved Only On A Strictly Limited Basis by Most of the Organizations Testifying

In general, witnesses testified that tolls should only be used when other means of financing fail.



NAMBO (page 139) says that interstate highways should be free from tolls except in the most exceptional cases. They should be coordinated with state highway departments (page 143), made free upon payment of costs; where part of the interstate system should be made eligible for Federal Aid (page 141).

Private Truckers noted that a free road should never be converted into a toll road -- a toll road should be free when payments are made -- should receive no user taxes (page 242).

The Grange said tolls should not be put on public rights-of-way; should be approved by state highway departments; invested in public agencies and importantly, that they should not replace existing parallel free roads. The Interstate System should be free roads (page 22). No Federal funds should be used for financing, says the AFBF (page 35).

The Township Officials think some consideration must be given to tolls (page 91).

Toll road projects "will alleviate a large part of the estimated \$12-1/2 billion deficiency on the national system of interstate highways," according to a statement by Under Secretary Robert Murry and quoted by the API on page 153.

The WASHO and the Southeastern Association are opposed to toll roads, holding them to be a state function.

The AASHO has no policy (page 173).

The AAR believes that they will take care of many needs (page 213) but that toll bonds should not be exempt from Federal and state taxes; should be retired during the life of the facility and that use schedules should be based on graduated charges: (page 214), and the right to build them should be based on findings by the Interstate Commerce Commission.



Cities should build feeders to the toll road, says the American Toll Ways Authority (page 286). The toll should by-pass the city and Congress should authorize bonds for their construction and subsidize them in sparsely settled areas (page 288).

Diversions and Dispersion

The NAMBO (page 137), ATA (page 120), Private Truck Council (page 243), the Truck-Trailer Manufacturers (page 283), the API (page 148) and the Grange (page 21) oppose diversion of special highway taxes to other purposes.

Third Structure Taxes

Opposition to "third structure" taxes was voiced by the ATA (page 122), NAMBO (page 137), Private Truck Council (241), Truck-Trailer Manufacturers (page 278) AFBF (page 35). The basis given is that the tax is not a fair measure of use and denies principle of reciprocity. The tax is favored by the AAR on the ground that the larger trucks are not paying their share of the costs. They say that the gas tax is not enough to measure the impact on roads and they deny that such a tax violates reciprocity (pages 205-16); They hold that weight limitations be imposed as a part of general treatments. (Page 198). The Grange suggested that large trucks should pay more taxes (page 23).

Grade Crossing

The AAR recommends that the rail share of grade-crossings should be eliminated, cost should be reduced by all the states to the ten per cent maximum now provided for in the Federal Aid Act (pp 184-185).



Mayor Cobo, speaking for the American Municipal Association, favors this plan as it affects elimination of grade-crossings on municipal streets (pages 270-271).

Parking

The API calls attention to the lack of adequate parking (page 150).

The Conference of Mayors suggest that land for parking is an integral part of arterial needs of the city and the bonds based on city parking should be used for that purpose (page 49).

Federal participation opposed by Township Officials (Page 92).

Strong opposition is entered by the National Parking Association. They contend that free enterprise cannot compete with tax-free bonds and tax-free land supplied by government (page 65). They say (pages 65-66):

"In spite of all hazards, parking progress has reached a point in most cities that surveys have been made showing an average of 20 per cent vacancy in off-street parking facilities during the peak hours."

Execution of the Program

General approval is given to the Bureau of Public Roads and the law under which the Federal-Aid relations with the states have been carried forward since 1921. There is a place for the Federal government in highway development, says API (pages 159-160). "We recognize the Federal responsibility" says AASHO (page 160). The Highway Officials' Committee recommends continued authorization of Federal-Aid under same conditions as present, exclusive of interstate system (page 169). That position was supported by the AASHO and the Southeastern Association. Private Trucks would limit the national effort to national needs (page 241).



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The Automobile Manufacturers Association (page 6), the National Grange (page 17), the ARBA (page 54), the American Municipal Association (page 250), the Automotive Safety Foundation (page 79) all support the work. The NAMBO would reduce its functions to the Interstate System (page 133); the National Grange and the County Officials stress the necessity for the continuation of Federal Aid to the secondary roads; the AFBF would sharply limit BPR functions (page 34).

The Interstate System

The Interstate System is strongly endorsed by practically all the organizations appearing. The ATA would make it a full Federal responsibility (page 116) with Interstate roads free from tolls. AASHO would stress it (page 160) on a 60-40 basis. The Committee of State Highway Officials, already referred to, would make it a 100 per cent Federal responsibility and they are joined by WASHO and SESH0. Highway Officials say the road system should be built to standards which would protect the investment. AASHO says controlled access of entry is required in densely populated areas. Design should be based on traffic fact. (Page 161). The AAR approves it on a self-liquidating basis, on a revenue tax base to protect the rails from undermining, and a close examination of needs (page 184). The Truck-Trailer Manufacturers observed that more may need to be done for defense purposes. The Grange opposes tolls on that system (page 63). The ARBA would accelerate the program with a greater Federal responsibility (page 55), the ARBA would relax the Federal law to permit tolls on the Interstate System.

Standards and Extent of Interstate System

The AAA (pages 86-87) would expand urban participation. The ATA (page 120) would require a definite system of urban roads. "Urban roads and streets being used for parking purposes," (page 150) says API). Construction on these roads is seven times that in 1941 on the basis of 1941 dollars (page 153). Such roads should be financed by user taxes, says AAR (page 215). The Private Truck Council questions the estimate of an additional \$50 billion for these highways - refers to estimates as "gold-plated" (page 235).

"The role of the Federal Government should be limited to guaranteeing loans that are self-liquidating" (page 241).

The needs are for divided highways, says Conference of Mayors (page 48). Four-lane, divided highways are questioned only by the API, which points out that the construction of forty thousand miles of multiple lane divided highways with limited control could have serious affect on many thousands of businessmen who depend upon these highways as their market places -- at least 40,000 would be affected -- by the BFR's proposal to relocate 90 per cent of the entire 40,000 miles system (page 159). AASHO says that standards should be high enough to protect investment - for many years to come (page 171). Township officials think the system should be located by the Department of Defense (Page 94).

Specific Comments

Complete highway contracts between principal points should be let, AGC (page 109). Rights-of-Way should be secured in advance of construction, AGC, page 109. Advance planning is a necessity, Township Officials, page 91. Contracts should be let to the lowest bidder, AGC, page 91.



"We have 48 states with conditions varying from state to state, including the conditions of the highways in the different states and different needs relating to construction, maintenance and improvement, methods of raising revenue, limitations on debt, issuance of bonds.

"We have 35,000 local subdivisions of government with approximately 15,000 of them actively engaged in construction, in maintenance and improvement of highways, roads and streets. We know of no single plan or remedy which could be devised and which would fit all these various conditions.", says the API, page 149.

"..... state highway construction expenditures in 1956 will run 67 per cent or more above the level of two years ago. Some of these states by 1956 will double the amount they were spending two years ago for highway construction. Many other states have already arranged for increasing their construction programs so that two years hence expenditures will be running from fifty to one hundred per cent more than they were two years ago," API pages 150-151. Missouri, California, Ohio, Illinois, Massachusetts, cited as examples.

The importance of an accelerated highway program in case of public works needs stressed by the AASHO, page 173. The relative degree of safety on 4-lane highways raised by Mr. Roberts, page 176.

AMA and Mayors asked to submit city program need. The ARBA and AGC asked for a report by November 1 on the construction industry.

Continued need for research by the Federal Government into physical highway problems and driver behavior was stressed by the automotive industry witness, page 7.

