

Memorandum • UNITED STATES GOVERNMENT

: The Director

DATE: March 19, 1959

FROM : Commerce and Finance Division (P. L. Sitton) *PLS*

SUBJECT: Comments on General Bragdon's letters to the Federal Highway Administrator concerning the intent of the Interstate program with respect to urban connections and points of access

You asked that we evaluate and advise you on two points raised by General Bragdon in the attached letter to the Federal Highway Administrator in which he states that tremendous sums can be saved by strict policy interpretation. We have included copies of the Highway Administrator's replies to General Bragdon's request.

Policy on intracity expressways and throughways built as part of the Interstate System

General Bragdon questions the extension of the Interstate System (as authorized in the 1956 Highway Act) to intracity routes presently designated as part of the 40,000-mile system and questions the use of Interstate funds to solve intracity traffic problems. He cites in support of his position Title 23, United States Code, section 103(d) which states in part that "It shall be so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities and industrial centers to serve national defense...."

The Division believes that the presently designated Interstate System, which includes specific circumferential and radial urban routes, is consistent with administration and congressional intent as expressed in the reports and laws surrounding its establishment. It would be infeasible to apply a "strict policy", as suggested by General Bragdon, which would limit the Interstate System to the cross country arterial routes and exclude intracity connections. Our reasons are as follows:

1) Sec. 103(d) specifies that the System may be located in both rural and urban areas.

2) The studies and reports that served as the basis for designating and financing the Interstate program repeatedly emphasize the necessity of recognizing urban traffic requirements (see attachment #1).

3) Mileage designations, including both circumferential and radial intracity connections, were incorporated into the Interstate System prior to the financial authorizations of the 1956 Highway Act and are clearly mapped out in a document published by the Secretary of Commerce in September 1955.

4) A major justification for the Interstate System was that it would serve approximately 11% of total city traffic.

5) One of the priority considerations in the field of transportation today is the problem of urban congestion and if the basic proposition is accepted that expressways will alleviate this condition it would be unrealistic to eliminate these designated urban routes where the greatest need exists.

6) The application of General Bragdon's "strict policy" would be inequitable in denying to urban areas the financial assistance of a program which is supported by highway user taxes of which a large share is paid by urban taxpayers.

The urban sections of the Interstate program will not solve all the traffic congestion problems of the cities. The construction of other arterial routes will be necessary. It is true that construction of these urban links of the Interstate System will serve as the backbone of the metropolitan arterial networks; however, the very nature of the System makes this necessary. The construction of many of these urban connections are even now proceeding at a rapid rate and more extensive treatment is being given the urban locations which merely emphasizes the urgent need for action in this area.

The Federal Government would be subject to extreme criticism were it to adopt the position of supporting construction of long rural expressways to the exclusion of their extension through and around urban areas.

Policy on interchanges

General Bragdon also asked: Is not the provision of 11 interchanges within 46 miles, on a section of the System crossing Northwest Pennsylvania in the region of Erie, excessive for such a short section? Have any standards or guides for distance between interchanges been adopted? Would not an excessive number of interchanges defeat the Interstate purpose and change it into more of a local one?

There are no formal standards controlling the number of and distance between interchanges on rural and urban sections of the Interstate System. Traffic loads at existing interchanges and economic estimates of costs required to divert traffic to other routes are the basis upon which the State highway departments justify access points. State plans are subject only to Public Roads' evaluation of what is reasonable. This concept of "reasonableness" is further influenced by the provision of Federal law that local needs shall be given equal consideration to the extent feasible with the needs of interstate commerce.

As General Bragdon has indicated, if more specific standards for controlling access points were established, it might be possible to reduce the number of interchanges with a subsequent reduction in costs. Such standards would at least provide a yardstick by which all the States could be measured to assure consistent application of common design standards.

We cannot, without making a detailed review of the plans and specifications, determine if General Bragdon's example of the Interstate route across Northwestern Pennsylvania has an excess number of interchanges. Public Roads in applying their test of "reasonableness" has stated that the number is not excessive (see attachment #2). Public Roads reviews these projects in terms of 1975 needs - 23 USC Sec 1096. SRB

Another area where there are no standards is that of grade separations on the System. Interstate standards require controlled access which means that if a particular road intersects the System and is not permitted access it must either be bridged, underpassed, or closed. The closing of an optimum number of roads will reduce the costs of the System. However, without specific Federal standards, the State highway departments will tend to follow the line of least resistance and construct the maximum number of grade separations on the System. The State share of these costs is only 10%.

A review of State plans and estimates submitted as part of the 108(d) cost study reported in January 1958 revealed a lack of consistency among the States as to the number of grade separations and closeouts along sections of the Interstate System. This variation by States raises the question of whether Federal regulations are not necessary to provide nationwide standards, not only to assure construction of a common system, but to reduce costs. A grade separation structure in a rural area costs approximately \$100,000.

These are two examples where the application of standards might reduce costs of the Interstate System. However, under present operating procedures, the States initiate the projects, draw up the plans, and build the highways under very general minimum standards of control necessary to conform to the requirements of Federal highway laws. These procedures were established, beginning in 1916, during a period in which the States were primarily responsible for financing highway construction and before the Federal contributions both in amount and matching share were so greatly expanded. A modification of these practices would require a change in philosophy on the part of the Bureau of Public Roads. They would be required to adopt a more positive watchdog role which would assure that the Federal Government is receiving the most economical returns from the Federal-aid grant program.

At your request, the Division is preparing a project to review current developments of the Interstate program. The questions raised by General Bragdon are included along with other issues as part of this proposed project. We originally proposed that a letter be sent to the Secretary of Commerce expressing concern over the lack of Federal standards to control the construction of the System. However, we propose delaying the submission of such a letter until we have more clearly outlined the areas of inquiry to be included in the project.

Attachments

Interregional Highways, (Message from the President of the United States),
78th Congress, 2d Session, House Document No. 379, January 12, 1944.

p. 4 - All facts available to the Committee point to the sections of the recommended system within and in the environs of the larger cities and metropolitan areas as at once the most important in traffic service and least adequate in their present state of improvement. These sections include routes around as well as into and through the urban areas.

p. 51 - Whatever other facilities it may provide, the system must incorporate adequate routes leading directly into the larger cities, including at least most of the cities of 10,000 or more population.

Its 33,920-mile total extent includes 2,123 miles within the municipal limits of cities of 10,000 or more population. This is approximately the mileage required to provide direct connection into and through all of these cities joined by the various routes.

p. 52 - The 33,920-mile total mileage reported does not include any allowance for alternate circumferential or distributing routes required at the larger cities for the dual purpose of bypassing through traffic and of distributing and assembling other traffic to and from the several quarters of the city....These circumferential routes, an essential part of the interregional system, are discussed in some detail in a subsequent section of the report....If added to the more definitely determined mileage of primary routes, this estimated mileage, probably located partly within and partly without municipal limits, would increase the total extent of the recommended system to about 39,000 miles. (Note: the Congress adopted 40,000.)

2. Highway Needs of the National Defense, (Message from the President of the United States), House Document 249, 81st Congress, 1st Session, June 30, 1949.

p. 72 - The system then approved (August 2, 1947) was composed of 37,681 miles. There remained at that time, within the 40,000 mile limitation fixed by the law, the authority to designate an additional 2,319 miles, which it was expected would be largely composed of desirable circumferential and distributing routes in urban areas.

3. A Ten-Year National Highway Program. The President's Advisory Committee on a National Highway Program, Lucius D. Clay, Chairman. January 1955.

p. 1 - The President specifically called for "a grand plan for a properly articulated (highway) system that solves the problems of speedy, safe transcontinental travel--intercity transportation--access highways--farm-to-farm movement--metropolitan area congestion--bottlenecks--and parking."

p. 16 - Further to render the interstate system fully effective, it must be tied in much more closely with existing roads in congested areas....The examination disclosed that a desirable improvement for the interstate network should include certain of these urban arterials. Accordingly, the Committee in its appraisal of needs has included \$4 billion as an amount to be assigned for this work over a 10-year period.

COPY

22-10

FEB 18, 1959

Eno

Center for
Transportation

General J. S. Bragdon
Special Assitant for
Public Works Planning
The White House
Washington, D. C.

Dear General Bragdon:

Your letter of February 9 inquired as to Public Roads policy with respect to frequency of interchanges on Interstate routes, with particular references to the Interstate route across northwestern Pennsylvania.

The spacing of interchanges depends on the number of principal roads the Interstate route crosses, and the origin and destination of major streams of through and local traffic to and from the Interstate route. The State highway departments have shown justification for providing Interstate highways with access connections at most major crossroads at which there will be considerable turning traffic. Local requirements are carefully evaluated in keeping with Section 101 of Title 23, United States Code which states that it is the intent ". . . that local needs, to the extent practicable, suitable and feasible shall be given equal consideration with the needs of interstate commerce."

Since the spacing varies according to the traffic requirements of the region traversed, it is not practicable to adopt standards specifying distances between access points. We have, of course, stressed the necessity for holding the number of interchanges to the minimum found to be justified after thorough engineering and economic analysis.

Our records show that there will be 13 interchanges in the 46.5-mile Interstate route across northwestern Pennsylvania. This number of interchanges is more than would normally be expected for rural areas, but it is proper for this Interstate route considering the number of major heavily traveled routes it crosses and its proximity to the city of Erie. Eleven of the 13 interchanges are diamond type which are not costly. Several projects on this route are under construction.

Eno

Center for
Transportation

- 2 -

Please be assured that the costs of Interstate construction and right-of-way are ever in our minds and Public Roads field engineers are under strict instructions to have the States show adequate justification before approval is given to participation of Federal funds in Interstate projects. Your continued interest in the highway program is greatly appreciated.

Sincerely yours,

B. D. TALLAMY
Federal Highway Administrator

Eno

Feb. 18, 1959

Center for
Transportation

22-10

General J. S. Bragdon
Special Assistant for
Public Works Planning
The White House
Washington, D. C.

Dear General Bragdon:

Your letter of February 9 inquired as to Public Roads policy regarding type of routes eligible for Interstate System designation in urban areas.

I agree that the Interstate System is not designed to solve all of the principal highway traffic problems of cities and metropolitan areas and will discuss this further subsequently. However, it has always been the intention from the time the Interstate Highway System was conceived, to extend these highways into and through, as well as around the principal metropolitan areas and cities. For example, the National Interregional Highway Committee, to which you refer, reported in its Interregional Highway Report of 1944, (House Document 379, 78th Congress) that--"All facts available to the Committee point to the sections of the recommended system within and in the environs of the larger cities and metropolitan areas as at once the most important in traffic service and least adequate in their present state of improvement. These sections included routes around as well as into and through the urban areas. If priority of improvement within the system be determined by either the magnitude of benefits resulting or the urgency of need, it is to these sections that first attention should be accorded."

The next step in the establishment of the Interstate System was accomplished in 1947 as a result of authorizations of the 1944 Act. All the State highway departments, in cooperation with the Bureau of Public Roads and with each other, established the city-to-city routes of the Interstate System which were approved for designation by the Federal Works Administrator. This designation of 37,700 miles of the Interstate System included the portions extending into and through urban areas. These city routes included in the establishment of the System in 1947 added up to

4,400 miles of the total. Thus in 1947, specific designation was made for 37,700 miles, of which 4,400 miles represented Interstate System routes within urban areas. In addition, the difference between the 37,700 miles and the 40,000-mile system authorized, that is, 2,300 miles, was reserved for additional Interstate System routes into, through and belts around metropolitan areas.

The next two steps in the advancement of the program occurred in 1955. One was the designation of the aforementioned 2,300 miles. This was done by appropriate action of the States requesting the designations, and approval of the Secretary of Commerce.

The other action in 1955 was the submission of the Clay Report which recommended in lieu of specific estimates that a \$4 billion lump sum be included for the 2,300 additional miles of the Interstate System extending into, through and belts around urban areas. The quotation from the Clay Committee report in your letter refers to that \$4 billion. This procedure was necessary since the 2,300 miles were designated several months after the time the Clay Committee study and report were initiated and there was no estimate of cost for these added urban Interstate routes as there was for the 37,700 miles which had previously been designated and which did include Interstate routes into and through urban areas.

The next step was the passage of the 1956 Act which was based upon the Clay Report and all preceding developments. The quotation in your letter of Title 23, U. S. Code, Section 103(d), is a general description of the System and goes on to say: "This System (speaking of the Interstate System) may be located both in rural and urban areas." Furthermore, Section 101(b) of Title 23 of the U. S. Code, states: "Insofar as possible in consonance with this objective, (completing the System by 1972), existing highways located on an Interstate route shall be used to the extent that such use is practicable, suitable, and feasible, it being the intent that local needs to the extent practicable, suitable and feasible, shall be given equal consideration with the needs of interstate commerce."

Transmitted herewith for your information is a booklet entitled "General Location of National System of Interstate Highways Including All Additional Routes at Urban Areas Designated in September 1955." This was another Government document which was basic at the time the 1956 Act was enacted.

There can be no question at all but what the Interstate System as conceived and designated contemplates extensions into,

through and belts around metropolitan areas. As stated previously, however, this System is not designed or contemplated to solve all of the principal urban arterial highway traffic problems. The 1956 Act continued the urban arterial highway program at an accelerated rate and the 1958 Act has done likewise. This is the program where the States (sometimes in cooperation with the cities or counties) pay 50 percent of the cost of the work. These are freeway, expressway at grade and major street thoroughfares which become the principal trunkline feeders to the Interstate System located in urban areas. There are a great many miles of them and they represent a vital phase of urban highway construction programs. The Interstate System work is not designed to take the place of these routes. However, they do afford, in addition to their other functions, the proper means for connecting the individual urban arterial highway systems with each other.

The Interstate System in the Philadelphia region, which you discussed, includes the through routes, inner belts and outer belts proposed by the State highway departments after consultation with officials of the city of Philadelphia in 1954 and 1955 and designated by the Bureau of Public Roads in 1955. All of these designated routes conform to the Philadelphia region plan of major arterial routes, but of course they do not include all of them, nor were all of those recommended by the State approved.

The variations in cost per mile which you cite for Philadelphia are consistent with similar variations in other metropolitan areas. Such variations are understandable in the light of right-of-way costs and the problems of maintaining local circulation by frequent grade separations and maintaining utility services. Consistently, however, the higher cost of these urban routes show full justification in the benefits they produce not only to traffic but to the whole economy of the area.

The figures you cite for Tulsa were probably obtained from the Tulsa Metropolitan Area Planning Commission's Report of December, 1957. These costs were based on the assumption that the Interstate routes proposed in the report would all be approved for designation. However, the State's proposal for Interstate designation for the east and south sides of the costly inner loop were not approved by the Bureau of Public Roads.

We appreciate receiving your views on the Interstate program and hope that our comments will be helpful in clarifying the laws and policies under which we are building this extremely vital program.

Sincerely yours,

B. D. Tallamy
Federal Highway Administrator

P2-7

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: June 15, 1959

FROM : Commerce and Finance Division (Pfleger)

Center for
Transportation

SUBJECT: Study of highway program

Attached are proposed "Prospectus for Review of Federal-aid Highway Program" and accompanying "Work Program" as you requested. In addition, you may be interested in some tentative conclusions staff have reached as a result of our studies over the last three weeks.

In our opinion there are three major problem areas.

I. "State" attitude toward Interstate Program

The States generally take the position that the law requires the Bureau of Public Roads to approve plans which "will adequately meet the existing and probable future traffic needs" and "conform to the particular needs of each locality." (Quotes from law.) Since there is no cost limit set in the Act, this demand is made regardless of cost. States and municipalities frequently ask for the largest feasible project and require the BPR to refute their claims rather than BPR requiring justification from the States for projects exceeding minimum standards. In the absence of maximum standards or policies and insufficient Division office staff to review the volume of planning now going on, BPR field offices are placed in a difficult position to refuse State requests.

II. Lack of definition of traffic "needs"

The Act provides no definition or standard for "interstate and defense" traffic. It further requires that "local needs shall be given equal consideration with the needs of interstate commerce." Neither "equal" nor "interstate commerce" needs have been defined in law or regulation.

The standard for determining traffic needs in 1975 is so flexible and includes so many factors based on judgment that traffic forecasts can be made to reach most any desired volume. The major policy guide used by the States and BPR indicates a possible capacity range from 15,000 to 60,000 vehicles per hour on a four-lane divided highway. Combining these two basic determinants of the geometric design of a highway and the inclusion of local as well as interstate traffic permits almost unlimited leeway to the States to demand whatever highway facilities are desired. It is significant that only 5% of the traffic headed for a major city is through-city traffic.

III. Disregard for costs

Failure of the Act to set any cost limits on the program, and the 90% (more in public land States) reimbursement encourages States and municipalities to request highways built to very high standards. Thus some cities are planning 10 to 12 lane highways in the center of the city so as to accommodate maximum traffic. In Texas 290 out of 374 urban miles (78%) and 1,345 out of 2,486 rural miles (54%) are planned to have parallel frontage roads to the main highway. In Ohio the standard median strip in rural areas is 84 feet versus a minimum guide of 36 feet (note this is a difference of 48 feet—enough for two more lanes on each side). Urban interchanges are planned at an average of one for every mile of urban interstate highway.

It is our opinion that administrative policy defining and limiting the traffic that is to be eligible for the 90/10 matching formula is both the quickest and most feasible way to limit the program. Needs beyond these limits can be considered eligible for the 50/50 programs. Furthermore, it is essential that this be done while projects are still in the programming stage. Once plans have been approved by BPR it is too late to reduce the size of the project.

Whatever method is used to limit the program, a major problem will be to develop a case which is persuasive and authoritative enough to overcome contrary pressures from State and municipal groups, automobile groups, road contractors, industry groups, and many others (farmers, commuters, recreationists, etc.), all of which are more concerned with expanding the program.

The proposed study can assist greatly in this direction. The decision has been made to have General Bragdon direct the study. You indicated that consideration would be given to use of the Management Improvement Fund in financing the study. These funds might be used to obtain the advice and assistance of outstanding, nationally known authorities since it will be extremely difficult to gain acceptance of the recommendations.

Attachments

DRAFT
6/15/59

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Center for
Transportation
Purpose

PROSPECTUS
FOR
REVIEW OF FEDERAL-AID HIGHWAY PROGRAM

The Federal-aid Highway Act of 1956 provided for a sharply accelerated roads program, established a time limit for completing the National System of Interstate Highways, committed the Federal Government to the completion of a 40,000 mile system irrespective of cost, increased the Federal share for Interstate projects to 90%, and established a "pay as you go" system for funding Federal-aid payments. There is evidence that (1) the Interstate System is not being located to achieve economically its two basic purposes-- a connector of metropolitan areas, cities, and industrial centers, and to serve the national defense--(2) the design of the highways is extravagant and (3) needs do not justify a system of the magnitude currently planned. The cost of the system has increased from the \$25 billion anticipated when the legislation was under consideration to a 1958 estimate of \$36 billion, and is almost certain to increase substantially above this under present highway policies. The "pay as you go" feature of the legislation cannot possibly be maintained without either additional taxes (over and above those already recommended), a sharply reduced cost, or extension of the time for completion. A broad review of the Federal highway program should be initiated to:

1. Evaluate the highway system currently planned in terms of basic transportation needs, particularly the needs of urban areas.
2. Delineate Federal responsibility as opposed to State and local responsibility in financing, planning, and supervising the highway program.

3. Determine the proper policies and maximum standards that should govern Federal participation in the program.

4. Develop recommendations covering the legislative and administrative action required to redirect the program as indicated in 1, 2, and 3, in a manner that will (a) minimize the Federal cost of the highway program and (b) assure financing these costs from the Trust Fund on a self-sustaining basis.

II. Scope and method

It will be necessary to examine standards and procedures used in the determination of need for and the design of primary, secondary, and Interstate Federal-aid systems with particular emphasis on the last. An investigation of how the program is conducted at Federal and State levels will be made. The origin of existing Federal highway policies will be reviewed and a study made to relate these policies to the Federal interest in highway transportation. The review will include a survey of urban transportation problems, the role of urban and suburban highways in solving these problems, and the impact of the highway program on other urban problems.

Basic information concerning the highway program as now planned will be obtained from the Bureau of Public Roads and to a lesser extent from State officials. Standards and practices of Federal and State highway agencies will be surveyed by interview and observation in the field. Literature in the fields of transportation, highway planning and design, and urban planning will be studied and experts in these fields will be interviewed.

The study will be supervised by General Bragdon under the broad direction of the Budget Bureau. Joint participation of staff from

General Bragdon's office, the Bureau of the Budget, and the Office of the Secretary of Commerce is planned. Specific parts of the review will be undertaken by individual consultants or consultant firms.

IV. Results expected

The final report will include recommendations for revising Federal highway policies and practices. Such revisions as are made should result in a highway system compatible with national requirements with a minimum drain on Federal resources. It is anticipated that this result can be achieved at a lower cost than will be incurred if the present program is permitted to go forward as planned.

V. Timing

The review should get under way immediately. A final report by December 1, 1959, is necessary if the 1961 budget is to reflect the expected results. Interim progress reports should be prepared monthly.

PROJECT OUTLINE FOR REVIEW OF THE INTERSTATE HIGHWAY PROGRAM

This work project identifies the major areas of study and investigation required to accomplish the objectives set forth in the accompanying prospectus. These studies would be performed under the broad direction of the Bureau of the Budget and supervised by General Bragdon. Staff will be provided by General Bragdon's office, the Budget Bureau, and the Department of Commerce (Office of the Secretary) with special consultants as required. Some of these studies can be done simultaneously, but many aspects would have to be considered in consecutive stages. The outline is divided into six major areas which give consideration to the legislative history, economic aspects, organization and administration, present program operations, urban transportation, and highway financing.

1. Legislative history and background development of the Interstate System.

Review of background documents and laws which resulted in the designation and authorization of the Interstate System to determine the original objectives and intent of the program.

2. Study of the economic considerations for the Interstate program to establish the scope of Federal responsibility.

a. Evaluation of Federal needs for a national system of highways to meet defense requirements.

b. An analysis of existing cost-benefit studies to define those benefits that are primarily national in scope and identify the benefits that accrue to State and local interests (i. e., road users, community development, and other non-user beneficiaries).

c. Consideration of priorities for allocation of Federal assistance as between the various transportation media. Is the Federal highway program inordinately large as compared to other Federal transportation programs?

3. Investigation of organization of Federal and State agencies responsible for administration of the Interstate program to determine if administrative and legal responsibilities are properly located to secure effective control of the program.

a. Review of present organization structure at State and Federal level and an evaluation of their effectiveness in controlling costs of the program. Emphasis will be placed upon a determination of whether the traditional relationships by which the States and the Bureau of Public Roads have operated require modification to establish additional Federal controls.

b. A study of the need for better review and guidance by the transportation staff of the Secretary of Commerce. Under present operations the Secretary must rely upon Public Roads to supply staff advice.

c. Review of basic administrative procedures and possible modifications that would provide better control of the program in the following areas:

- (1) Budgetary controls.
- (2) Organization aspects of engineering and design review.
- (3) Auditing and accounting procedures.
- (4) State methods employed in acquisition of rights-of-way, letting of contracts and use of consultants.

4. Review of the Interstate program in terms of the question, "How is the existing program being carried out?"

a. Identification of criteria and standards that Public Roads has established to operate the Interstate program.

b. Consideration of the conformance of such standards and controls to the objectives as determined in No. 1 above.

c. Evaluation of the effectiveness of such controls in insuring maximum returns for Federal funds that are expended. Evaluate principle factors upon which geometric and engineering design standards are based. This study would require, preferably by consultants, a detailed review of such items as traffic forecasting methods, the relationship of geometric design standards to Interstate objectives, an evaluation of engineering design standards, etc.

d. Identification of the stages by which the Interstate program develops from authorization to work-in-place and an evaluation of work processes involved to ascertain at what phases more effective controls can be inserted into the administrative process. The stages that need to be reviewed are the location of routes, the development of cost estimates, the programming of specific projects, the review of plans, specifications, and estimates (PS&E's) by Public Roads, and the review of work in progress.

e. Comparative review of 108(d) estimates with actual costs of work-in-place and a consideration of the State variations in the cost components on which the 108(d) estimate was constructed.

f. Study to determine the impact of the "local needs" concept incorporated into the 1956 Highway Act upon the design standards of the System.

g. Review of existing experience with public hearings and determine whether such hearings should be made subject to the provisions of the Administrative Procedures Act to insure adequate consideration of local protests.

h. Review of economic impact studies, including their timing, scope, utilization, etc.

i. Determine the extent to which State and local planning agencies other than highway agencies participate in plans and determinations.

5. A broad consideration of the relationship of the Interstate Highway System to overall metropolitan transportation and development problems. This study would be performed in several separate stages.

a. Analyze the relationship between the entire urban transportation system and the Interstate System giving consideration to: its benefits in terms of solving urban traffic problems; determination of how well the highway programs are being coordinated with other urban development programs and with city planning determinations; evaluation of the highway program in terms of impact on the social and economic structure of urban communities (e. g., dislocation of persons and business, neighborhood impairment, land use and zoning, mass transit alternatives).

b. Evaluate the relationship of the highway program to other Federal grant programs (e. g., urban renewal and Federal-aid airports) and consider the need for providing an integrated approach to Federal participation in urban planning and development.

c. Analyze the pattern of Interstate locations in cities and give consideration to the minimum system of expressways that will most satisfactorily conform to Interstate needs. Consider the requirements for both radial and circumferential routes in cities. Determine possible cost savings that may be realized by reducing or relocating urban Interstate mileage.

d. Consider the needs for a slow down in the present program until proper evaluation has been given the above factors.

6. Study of the major aspects of highway financing.

- Center for
Transportation
- a. In terms of items previously considered, determine the validity of the present 90-10 matching formula. This consideration would cover questions as to whether the present program is conducive to assuring full State cooperation in economic utilization of funds.
- b. Analysis of the established financial program for building the Interstate System and reevaluate the present Federal funding arrangements of advanced contract authorization and Highway Trust Fund financing.
- c. Give consideration to the ability of the States to adequately finance their share of the Interstate program at the present program level and their ability to finance future costs of maintaining the System.
- d. Explore alternatives for assuring that the 1960 and 1961 deficits in the Highway Trust Fund are kept out of the budget.
- e. Make a determination, based upon the results of the foregoing studies, of the extent to which the costs of the Interstate System can be reduced to the presently authorized amounts either through cost reductions, shifting of a larger share to the States, or by stretching out the program.



the Budget
TE SLIP

~~re~~
~~W. STANTZ~~

Director

- Take necessary action
- Approval or signature
- Comment
- Prepare reply
- Discuss with me
- For your information
- See remarks below

FROM C&F Div. (Eigenmann)

DATE 6/25/59

REMARKS

These letters and the first page of the memo to the President have been corrected to cover understandings reached in your meeting. We have worked with General Bragdon in a complete rewrite of the letter addressed to him. His chief concern is that it be clear that he will direct the study. This he considers important from the standpoint of obtaining a necessary degree of Commerce participation.

J. J. Eigenmann

*OK with Bragdon
& Mueller
6-29-59*

Eno

Center for
Transportation

Comment
Prepare repl
Discuss with me
For your information
See remarks below

JUN 29 1959

(Elgenhead)

DATE 6/25/59

~~MEMORANDUM FOR MR. GERALD MORGAN~~

Subject: Initiation of Studies of the Federal-aid
Highway Program

The concurrences of General Bragdon and Secretary Mueller have now been obtained for initiation of the highway studies. Since it is urgent that these projects get under way at the earliest possible time, we will appreciate it if you will bring the matter to the attention of the President as soon as it is convenient to do so.

e/ Murray

Director

cc: Current Records
Director's Chron.
Mr. Stans
File copy
Chron.

*Bragdon
Mueller
6-29-59*

THE WHITE HOUSE
Washington

JUL 2 1959

Eno

Center for
Transportation

Dear Mr. Secretary:

In my message to Congress, transmitting the 1960 budget, I recommended an increase in the existing fuel tax that goes into the Highway Trust Fund to retain the self-financing features of the Federal-aid highway program.

The failure on the part of the Congress thus far to enact this increase presents the Administration with the immediate problem of the impact of the Federal-aid highway program on the general fund in 1960 and 1961. It is my understanding that the latest estimates of your Department indicate that in 1960 the Highway Trust Fund deficit will be about \$500 million, and will increase by an additional \$500 million in 1961.

Assuming that there will be no general fund appropriations and no increase in the fuel tax for the Federal-aid highway program, it is necessary to consider steps that will provide for orderly continuation of work while staying within the level of revenues going into the Highway Trust Fund. I am, therefore, requesting that you and the Bureau of Public Roads work with the Director of the Bureau of the Budget to develop a course of action that can be implemented without delay to assure that the level of Federal-aid highway expenditures is, to the maximum practical extent, kept within the estimated revenues anticipated for the Highway Trust Fund. I have sent a similar letter to the Director of the Bureau of the Budget requesting that he carry out this review in cooperation with your Department.

I have also given General Bragdon responsibility for directing a project of a much broader nature to review and evaluate the Federal highway program in a manner that will minimize the total Federal cost of the long-range highway program, and determine the proper policies that should govern Federal participation in this program. Your Department and the Bureau of the Budget will participate with General Bragdon in this project.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable
The Secretary of Commerce
Washington 25, D. C.

THE WHITE HOUSE
Washington

JUL 8 1959

Eno

Center for
Transportation

In my message to Congress transmitting the 1960 budget, I recommended an increase in the existing fuel tax that goes into the Highway Trust Fund to retain the self-financing features of the Federal-aid highway program.

The failure on the part of the Congress thus far to increase this tax presents the Administration with the immediate problem of the impact of the Federal-aid highway program on the general fund in 1960 and 1961. It is my understanding that the latest estimates indicate that in 1960 the Highway Trust Fund deficit will be about \$500 million and will increase by an additional \$500 million in 1961.

Assuming that there will be no general fund appropriation and no increase in fuel taxes for the Federal-aid highway program, it is necessary to consider steps that will provide for orderly continuation of work while staying within the level of revenues going into the Highway Trust Fund. I am, therefore, requesting that you develop a course of action in cooperation with the Administrator, Bureau of Public Roads, which can be implemented without delay, to assure that the level of Federal-aid highway expenditures is, to the maximum practical extent, kept within the estimated revenues anticipated for the Highway Trust Fund. I have sent a similar letter to the Secretary of Commerce requesting that he cooperate with the Bureau of the Budget in making this determination.

I have also given General Bragdon responsibility for initiating a project of a much broader nature to review and evaluate the Federal highway program in a manner that will minimize the total Federal cost of the long-range highway program, and determine the proper policies that should govern Federal participation in this program. I have also informed General Bragdon that the scope and method of this study should be developed jointly with the Bureau of the Budget and the Department of Commerce.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable Maurice H. Stans
Director
Bureau of the Budget
Washington 25, D. C.

THE WHITE HOUSE
Washington

JUL 8 1959

Eno
Center for
Transportation

Dear General Bragdon:

The Federal-aid Highway Act of 1956 provided for a sharply accelerated roads program, established a time limit for completing the National System of Interstate and Defense Highways, committed the Federal Government to the completion of a 40,000-mile system irrespective of cost, increased the Federal share for Interstate projects to 90% and established a "pay-as-you-go" system for funding Federal-aid payments. Questions have arisen as to (1) whether present policies of routing will achieve most economically the purposes sought; (2) whether design standards are greater than needed; and (3) whether needs justify a system of the magnitude currently planned. The cost of the system has increased from the \$25 billion anticipated when the legislation was under consideration to a 1958 estimate of \$36 billion, and is almost certain to increase substantially above this under present highway policies.

A broad review of the Federal highway program should be initiated to:

1. Reexamine policies, methods, and standards now in effect in order to ascertain their effectiveness in achieving basic national objectives. This reexamination should cover, but not be limited to, intra-metropolitan area routing including ingress and egress, interchanges, grade separations, frontage roads, traffic lanes, utility relocations, and engineering design.
2. Delineate Federal responsibility as distinguished from State and local responsibility in financing, planning, and supervising the highway program.
3. Determine the means for improving coordination between planning for Federal-aid highways and State-local planning, especially urban planning.
4. Develop recommendations covering the legislative and administrative action required to redirect the program as indicated in 1, 2, and 3, in a manner that will (a) minimize the Federal cost of the highway program, and (b) assure financing these costs from the Trust Fund on a self-sustaining basis.

This study priority should be given to those aspects of the problem where maximum savings can be effected. As specific conclusions and recommendations are developed, I expect them to be implemented, after appropriate clearances, without waiting for the final report to be completed.

The scope and method for carrying on this study should be developed jointly by you, the Director of the Bureau of the Budget and the Department of Commerce. However, in view of your assigned duties in the area of public works planning, I want you to assume responsibility for carrying out this broad study of the highway program. It will, of course, be necessary to consult on a continuing basis with the Bureau of the Budget in order that the study and the final recommendation are consistent with overall budgetary, legislative, and management policies of the Federal Government.

In view of the importance of this study it is my wish that you give this project highest priority in your work program.

You should also coordinate this work with the Secretary of Commerce who will furnish you such assistance and data as may be necessary.

I am addressing letters to the Secretary of Commerce and the Director of the Bureau of the Budget regarding this study as well as a separate study to be undertaken under the direction of the Budget Bureau on the immediate problem of avoiding appropriations from the general fund to meet impending deficits in 1960 and 1961 in the Highway Trust Fund.

Sincerely,

DWIGHT D. EISENHOWER

The Honorable John S. Bragdon
Special Assistant to the President
The White House
Washington 25, D. C.