

Y 4
.P 96/11
85/14

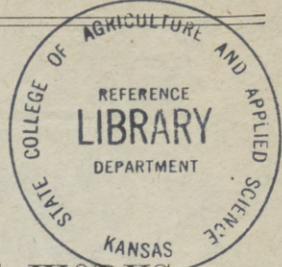
House - Public Works

85/14
P 96/11
85/14

REIMBURSEMENT OF TOLL OR FREE ROADS ON THE INTERSTATE SYSTEM

GOVERNMENT
Storage

[No. 85-14]



HEARINGS BEFORE THE COMMITTEE ON PUBLIC WORKS HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH CONGRESS

SECOND SESSION

ON

H. R. 10422

TO AMEND THE FEDERAL-AID HIGHWAY ACT OF 1956 TO
INCREASE THE MILEAGE OF THE NATIONAL SYSTEM OF
INTERSTATE AND DEFENSE HIGHWAYS, AND FOR OTHER
PURPOSES

AND

**H. R. 10921, H. R. 11365, H. R. 11533,
and other bills**

MARCH 25 AND 26, 1958

Printed for the use of the Committee on Public Works



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1958

47
11/20/29
21/28



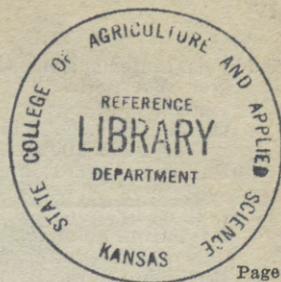
COMMITTEE ON PUBLIC WORKS

CHARLES A. BUCKLEY, New York, *Chairman*

GEORGE H. FALLON, Maryland
CLIFFORD DAVIS, Tennessee
JOHN A. BLATNIK, Minnesota
ROBERT E. JONES, Alabama
FRANK E. SMITH, Mississippi
JOHN C. KLUCZYNSKI, Illinois
T. A. THOMPSON, Louisiana
IRIS FAIRCLOTH BLITCH, Georgia
JIM WRIGHT, Texas
W. R. HULL, Jr., Missouri
KENNETH J. GRAY, Illinois
FRANK M. CLARK, Pennsylvania
PAUL G. ROGERS, Florida
ED EDMONDSON, Oklahoma
JOE M. KILGORE, Texas
JOHN J. McFALL, California
CHARLES H. (CHARLIE) BROWN, Missouri

J. HARRY MCGREGOR, Ohio
JAMES C. AUCHINCLOSS, New Jersey
RUSSELL V. MACK, Washington
HUBERT B. SCUDDER, California
MYRON V. GEORGE, Kansas
GORDON H. SCHERER, Ohio
GARDNER R. WITHROW, Wisconsin
WILLIAM C. CRAMER, Florida
JOHN F. BALDWIN, Jr., California
FRED SCHWENGEL, Iowa
S. WALTER STAUFFER, Pennsylvania
EMMET F. BYRNE, Illinois
EDWIN B. DOOLEY, New York
WILLIAM S. BROOMFIELD, Michigan
HOWARD W. ROBISON, New York

MARGARET R. BEITER, *Chief Clerk*
JOSEPH R. BRENNAN, *Engineer Consultant*
RICHARD J. SULLIVAN, *Chief Counsel*
ROBERT F. MCCONNELL, *Minority Counsel*



CONTENTS

	Page
H. R. 10422-----	1
Testimony of—	
Brice, Robert, member, Iowa State Highway Commission, Des Moines, Iowa-----	109
Bush, Hon. Prescott, a United States Senator from the State of Connecticut-----	5
DiNatale, Anthony N., commissioner of public works, Commonwealth of Massachusetts-----	101
Lane, Hon. Thomas J., a Representative in Congress from the State of Massachusetts-----	69
Ostertag, Hon. Harold C., a Representative in Congress from the State of New York-----	113
Pillion, Hon. John R., a Representative in Congress from the State of New York-----	79
Ribicoff, Hon. Abraham, Governor of the State of Connecticut-----	20
Richards, George J., deputy secretary of highways of Pennsylvania, Harrisburg, Pa-----	124
Rothschild, Louis S., Under Secretary for Transportation, Department of Commerce; accompanied by Frank Turner, Deputy Commissioner, Bureau of Public Roads-----	40
Springer, Hon. William, a Representative in Congress from the State of Illinois-----	70
Stoldt, C. A., director, department of highways, State of Oklahoma--	93
Tonti, D. Louis, president; accompanied by J. Allyn Stearns, executive secretary, American Bridge Tunnel and Turnpike Association--	114
Wright, James F., assistant superintendent, New York State Department of Public Works, submitted Governor Harriman's additional statement-----	129
Additional information—	
American Bridge, Tunnel, and Turnpike Association, Inc., letter, April 25, 1958, by J. Allyn Stearns, executive secretary-----	139
Automobile Club of Syracuse, Inc., H. E. Lavier, secretary, telegram, March 24, 1958-----	134
Buckley, Hon. Charles A., a Representative in Congress from the State of New York, submitted statement-----	2
Buffalo, Chamber of Commerce, letter, March 24, 1958, by Charles P. Penney, chairman-----	80
Callahan, William F., chairman, Massachusetts Turnpike Authority, telegram, March 24, 1958-----	5
Construction cost indexes, table for years 1944 to 1957, prepared by Library of Congress, submitted by Congressman Pillion-----	84
Denton, Hon. Winfield K., a Representative in Congress from the State of Indiana, submitted statement-----	136
Donohue, Hon. Harold D., a Representative in Congress from the State of Massachusetts, submitted statement-----	135
Handley, Harold W., Governor of Indiana, telegram, March 24, 1958--	39
Harriman, Hon. Averell, Governor of the State of New York, submitted statement-----	4
Keating, Hon. Kenneth B., a Representative in Congress from the State of New York, submitted statement-----	138
May, Hon. Edwin H., Jr., a Representative in Congress from the State of Connecticut, submitted statement-----	75
Missouri State Highway Commission, Rex M. Whitton, chief engineer, letter, March 19, 1958-----	67
Net reimbursement amounts based on 90 percent of depreciated original cost less Federal aid already paid, toll and free roads, table--	10

Additional information—Continued

	Page
New York State Thruway Authority, Daniel J. Langan, director of finance, letter, March 28, 1958.....	133
O'Neill, Gov. C. William, of the State of Ohio, letter, June 7, 1958, re H. R. 10921.....	127
Radwan, Hon. Edmund P., a Representative in Congress from the State of New York, submitted statement and letter, March 26, 1958, by Irene Neese, secretary.....	134
Ray, Hon. John H., a Representative in Congress from the State of New York, letter, March 20, 1958.....	80
Riehlman, Hon. R. Walter, a Representative in Congress from the State of New York, submitted statement.....	91
Rothschild, Louis S., Under Secretary for Transportation, tables: Advances of Federal-aid highway funds to States—summary to March 24, 1958.....	49
Projects financed from interstate funds.....	58
Projects financed from primary, secondary, and urban funds.....	60
Unprogramed balances of Federal-aid highway funds, as of February 28, 1958.....	57
Route 17 Association, Inc., letter, March 22, 1958, by George E. Knowlton, president.....	90
Seely-Brown, Hon. Horace, Jr., a Representative in Congress from the State of Connecticut, letter, March 24, 1958.....	39
Stratton, Gov. William G., of Illinois, telegram to Hon. Emmet Byrne Syracuse Chamber of Commerce, letter, March 26, 1958, by Walter L. Fox, assistant secretary.....	90
Tonti, D. Louis, president, American Bridge, Tunnel, and Turnpike Association, extension of remarks.....	137
	120

REIMBURSEMENT OF TOLL OR FREE ROADS ON THE INTERSTATE SYSTEM

TUESDAY, MARCH 25, 1958

HOUSE OF REPRESENTATIVES,
COMMITTEE ON PUBLIC WORKS,
Washington, D. C.

The committee met, pursuant to call, at 10:15 a. m., in room 1302, New House Office Building, Hon. George H. Fallon presiding.

Mr. FALLON. Gentlemen, the Committee on Public Works is meeting this morning for the consideration of H. R. 10422 and 22 identical bills. In addition, there are 16 other bills.

The purpose of the legislation, and it is all identical, with very few exceptions, is for reimbursement to States for building the toll roads.

We have a number of very distinguished witnesses here this morning. We are going to try to reach as many as we can this morning, and then try to see if we cannot get permission to sit this afternoon while the House is in general debate.

The Chair first recognizes Mr. Blatnik.

Mr. BLATNIK. Mr. Chairman, Chairman Buckley of the House Public Works Committee is unfortunately unable to be here this morning because of illness. He has asked for permission to file his statement in the record at this point in behalf of his bill, H. R. 10422, and I do so in his behalf.

[H. R. 10422, 85th Cong., 2d sess.]

A BILL To amend the Federal-Aid Highway Act of 1956 to increase the mileage of the National System of Interstate and Defense Highways, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal-Aid Highway Act of 1956 is amended by adding immediately following section 113 the following new section:

“SEC. 113A. INCREASED MILEAGE FOR INTERSTATE SYSTEM.

“In the case of any State having a toll road, bridge, or tunnel which is approved by the Secretary as a part of the Interstate System under section 113 (a) of this Act before June 30, 1958, the Secretary shall, upon application by the State, designate as part of the Interstate System other routes within such State which are equal in mileage to the length of all such toll roads, bridges, and tunnels within such State.”

SEC. 2. Section 108 (1) of the Federal-Aid Highway Act of 1956 is amended to read as follows:

“(1) INCREASE IN MILEAGE.—Section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), relating to the Interstate System, is hereby amended by striking out ‘forty-one thousand miles’ and inserting in lieu thereof ‘forty-one thousand plus the total of all amounts designated as part of the Interstate System under section 113A of the Federal-Aid Highway Act of 1956’: *Provided*, That the cost of completing any mileage authorized by this subsection in excess of forty thousand miles shall be included in making the estimates of cost for completing the Interstate System as provided in subsection (d) of this section.”

Mr. Chairman, I ask that Mr. Buckley's statement go in the record at this point.

Mr. FALLON. Without objection, it will be so ordered.

(The statement referred to is as follows:)

STATEMENT OF HON. CHARLES A. BUCKLEY ON H. R. 10422

Purpose of the bill

The purpose of the bill is to grant to each State having a toll road on the Interstate System equivalent mileage to be designated as part of the Interstate System and thus eligible for 90 percent Federal aid.

The Federal-Aid Highway Act of 1956 changed the matching provisions with regard to the Interstate Highway System by increasing the Federal share of the cost of any such project to 90 percent with the remaining 10 percent to be paid by the States. Through the incorporation into the Interstate System of State-financed toll roads the States in which these roads are located are losing a large percentage of Federal-aid for interstate mileage to which they would otherwise be entitled.

The practical effect of the bill would be to add 2,254 miles to the Interstate System in 26 States. Under present designations, these States would get the following additional interstate miles (equivalent to their mileage of toll roads on the system):

Mileage of toll facilities approved by the Secretary of Commerce as part of the Interstate System under Section 113 (a) of the Federal-Aid Highway Act of 1956

<i>State</i>	<i>Mileage¹</i>	<i>State</i>	<i>Mileage¹</i>
Connecticut-----	1.0	Missouri-----	4.8
Delaware-----	4.1	Nebraska-----	.3
Florida-----	42.5	New Hampshire-----	13.9
Georgia-----	.8	New Jersey-----	49.9
Illinois-----	152.5	New York-----	518.0
Indiana-----	156.9	Ohio-----	174.5
Iowa-----	3.3	Oklahoma-----	175.0
Kansas-----	186.6	Oregon-----	.9
Kentucky-----	40.2	Pennsylvania-----	359.0
Maine-----	60.1	Texas-----	29.6
Maryland-----	11.0	Virginia-----	43.6
Massachusetts-----	123.0	West Virginia-----	.3
Michigan-----	5.0	Total-----	2,254.8

¹ Mileage taken from Bureau of Public Roads release of Aug. 21, 1957, and from table A-1a, p. 12, of Secretary of Commerce report of Jan. 7, 1958 (H. Doc. 301, 85th Cong., 2d sess.).

Justification

Section 7 of the Federal-Aid Highway Act of 1944 authorized the designation of a National System of Interstate Highways, so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers to serve the national defense.

The section, also in round figures, established a 40,000-mile limitation on the system; it being humanly impossible at that time to estimate exactly what mileage would be necessary to accomplish the intent of Congress. The mileage was purposely left in round figures to indicate that it was a preliminary estimate. The intent of Congress to relieve traffic congestion in industrial areas was emphasized by spelling out that the routes are to connect metropolitan areas, cities, and industrial centers. Under section 116 (b) of the Federal-Aid Highway Act of 1956, the Congress further strengthened this intention by stating, " * * * 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."

While the declared intent of Congress was to relieve traffic congestion by connecting the principal metropolitan areas, cities, and industrial centers, the arbitrarily established 40,000 miles was not enough to accomplish the intent. Only 4,364 miles of interstate highways were allocated to urban or industrial areas as of November 1, 1957, and the remaining 33,998 miles was allotted

to rural areas. Because of the vast open rural areas over which it was necessary to construct rural highways to connect the East, West, South, and North, sufficient mileage was not left to meet the requirements of the industrial States. That was the first of two cuts in interstate mileage that the industrial States received. This is evident by the fact that when the Bureau of Public Roads in 1957 attempted to select 1,000 additional miles for the Interstate System it received applications from State highway departments for about 13,000 miles from which to make a selection.

The second cut in interstate mileage eligible for Federal participation in industrial States came when the congested traffic States built non-Federal financed toll roads on the Interstate System because of inability to wait for congressional action. The Federal-Aid Highway Act of 1944 authorized the designation of an Interstate System of highways but it was not until 12 years later that the Federal-Aid Highway Act of 1956 authorized 90 percent Federal-aid participation in the construction of the Interstate System. In the meantime, a number of States in the congested traffic areas had problems in accident prevention and safety promotion which could not wait 12 years for solution. These States took the initiative and, on the most congested routes, built toll roads to meet the intent of Congress spelled out in section 7, of the Federal-Aid Highway Act of 1944. The Secretary of Commerce certified to the fact that these States had met the intent of Congress as to route location by approving the location of 2,255 miles of toll facilities on the Interstate System in 26 States. This completely State-financed mileage of toll roads uses up part of the State quota of the 40,000-mile Interstate System limitation. These States for a second time are being penalized for their initiative by not being given an adequate mileage to relieve congestion within their borders. The first time it took the form of an extensive mileage being turned over to rural States to connect the broad open areas between these States and the second time to absorb the toll-road mileage.

The Buckley bill, H. R. 10422, provides that the States that built toll-road facilities be given an additional mileage of interstate highways equal to the mileage of the toll facilities on the Interstate System financed without Federal funds. This would compensate the toll-road States for their initiative in building part of the Interstate System without Federal support and furnish relief from further traffic congestion caused by the arbitrary 40,000-mile limitation for the Interstate System.

Cost of the additional Interstate System mileage

The mileage equivalent of the toll roads constructed on the Interstate System is 2,255 miles. The summation of the first 3 columns of table C on page 6 of the report of the Secretary of Commerce of January 7, 1958, to the Speaker of the House of Representatives (H. Doc. 300, 85th Cong., 2d sess.) discloses that the cost of improving the Interstate System as of July 1, 1956, was \$39.5 billion. This cost covers 36,293 miles, after deducting the 2,255 miles of completed toll roads. Based on this estimate the cost of improvements on the Interstate System average about \$1,090,000 a mile. At this rate the estimated cost of improving the 2,255 miles being considered under H. R. 10422 would be about \$2,458 billion.

Suggested method of finance

The cost of improving the 2,255 miles of highways provided by this bill could be financed by extending the period of existence of the Federal Highway Trust fund for an additional 2-year period and permitting the States to bond finance these improvements at any time they find it to be in the public interest to accelerate the road program to meet unemployment-economic reverses or pressing transportation needs. The bond financing could take the form of permitting a State to guarantee the principal and interest on 90 percent of the bonds from its apportionments of Federal interstate funds, and guarantee the other 10 percent of principal and interest and all maintenance and operations from State funds.

The Federal Highway Administrator on January 15, 1958, in testimony before the Senate Subcommittee on Public Roads stated that the rate of funds in the trust fund available for the Interstate System in the fiscal year 1960 will be \$1.6 billion. At this rate extending the trust fund for a 2-year period would yield \$3.2 billion. This is a sum about 30 percent greater than the amount necessary to finance the estimated cost of the 2,255 miles which is the subject of this bill.

MR. BLATNIK. I have a further request from the Honorable Averell Harriman, Governor of the State of New York, that his statement in support of H. R. 10422 be made a part of the record.

This is a statement which was also presented before the Senate committee last February 21. The Governor strongly recommends favorable consideration of Mr. Buckley's bill.

Mr. FALLON. Without objection, the statement of the Honorable Averell Harriman, Governor of New York, on H. R. 10422, may be made a part of the record at this point.

(The statement referred to is as follows:)

STATEMENT OF HON. AVERELL HARRIMAN, GOVERNOR OF NEW YORK, ON H. R. 10422

In spite of the progress we have made, New York State finds itself in a particular unfortunate position with regard to its apportionment of mileage and funds for the National System of Interstate and Defense Highways. This position is shared by some 15 other States, all of which have toll roads designated as interstate routes. Of the 1,210 approved interstate miles within our border, over 500 miles are a part of the New York State Throughway. The new formula for apportionment of Federal interstate funds makes clear the need and the justice of some form of compensation for those States which find themselves similarly situated. This formula, as you know, is based upon each State's percentage of the cost to complete the whole National System. In other words, New York's annual allocations will be based not upon the cost of our 1,210 authorized miles, but upon the cost of the 700 miles which remain to be built. This inequity will prevail as long as the program lasts.

When the New York State Throughway was designated as a part of the Interstate System, it was assumed that some method of reimbursement would be worked out. Reimbursement for toll roads was recommended by the President's Committee, chaired by General Clay, which reported its findings in 1955. The 1956 Federal act directed that the Department of Commerce conduct a study of the reimbursement problem. I understand that the results of this study have been submitted to Congress. This report will show that the cost of toll road construction on New York's Interstate System will come to approximately \$1 billion. It would be a glaring injustice if no provision were made to compensate those States which, like New York, have moved forward with the construction of large portions of their interstate networks without Federal assistance. The Federal Government would in effect be penalizing those very States which have had the foresight and the initiative to provide the Nation with the sort of major transportation system it so desperately needs.

Congressman Buckley of New York, who has consistently sought to rectify this injustice, has recently introduced a bill amending the Federal-aid Highway Act of 1956 in such a way as to give the States having toll roads on their Interstate Systems a more equitable share of Federal aid. This bill would permit the Secretary of Commerce to designate as part of the Interstate System other routes within the various States equal in mileage to the length of the toll roads within their borders. The cost of the construction of these interstate miles would then be added to the total cost for completing the Interstate System. I strongly recommend favorable consideration of this bill by the members of this committee.

New York State already has applied for the inclusion of an additional 453 miles in the Interstate System. These major routes are fully justified as Interstate Highways from a standpoint of traffic use, economic factors and defense. New York State needs and should have more than one outlet to the west. Last year, when an additional 2,102 miles was to be allocated, New York State applied, among other projects, for inclusion of major portions of Routes 17, 15, 219, and an extension of the Empire Stateway from its northern terminus to the Ogdensburg Bridge. The Department of Commerce passed over our application. If the Buckley bill becomes law, these routes can be made a part of the Interstate System. In fact, Route 17 can then be developed as part of the interstate network for its entire length, as I have consistently believed it should be. And there are routes connecting with other States which are badly needed.

Mr. BLATNIK. Our majority leader, Congressman John W. McCormack, of Massachusetts, asked me to state at the opening of the testimony that he strongly favors legislation of the type we are considering here this morning, and I would like to have it so indicated in the record at this point.

Finally, Mr. Chairman, a wire from the chairman of the Massachusetts Turnpike Authority, William F. Callahan, addressed to Charles Buckley. He regrets he has been unable to attend the hearings scheduled for today on H. R. 10422 and the pending companion bills to permit toll road States to designate as part of the Interstate System other routes within the State equivalent in mileage to their toll roads, and indicates he is strongly in favor of this legislation and favors reimbursement.

He further asks for an amendment so that the additional mileage will not parallel toll roads.

I ask that this telegram be made a part of the record at this point.

Mr. FALLON. Without objection, it is so ordered.

(The telegram referred to is as follows:)

BOSTON, MASS., *March 24, 1958.*

Representative CHARLES A. BUCKLEY,
*Chairman, Committee on Public Works,
Washington, D. C.:*

Regret that I am unable to attend hearings on March 25 and 26 before House Committee on Public Works on H. R. 10422 and companion bills to permit toll road States to designate as part of Interstate System other routes within the State equivalent in mileage to their toll roads. I am vitally interested in this legislation. Favor reimbursement. Want amendment that additional mileage will not parallel toll roads.

WILLIAM F. CALLAHAN,
Chairman, Massachusetts Turnpike Authority.

Mr. FALLON. Our first witness this morning will be the distinguished Senator from Connecticut, the Honorable Prescott Bush.

Senator, will you please step up?

STATEMENT OF HON. PRESCOTT BUSH, UNITED STATES SENATOR FROM THE STATE OF CONNECTICUT

Senator BUSH. Mr. Chairman and gentlemen of the committee, I am very grateful for your invitation to appear today to urge that you provide for fair and equitable reimbursement to States which have constructed sections of the National System of Interstate and Defense Highways to the required standards with either State or toll financing.

I recall with pleasure working with the chairman and other members of this committee when the Federal-Aid Highway Act of 1956 was under consideration in the 84th Congress.

At that time, we fought shoulder to shoulder for two principles:

(1) That apportionment of the Federal Government's 90-percent share of the expense of completing the Interstate System be made on the basis of construction costs instead of by a completely unrealistic formula—which is the old 3-3-3 formula; and

(2) That States which, prior to the effective date of the 1956 act, had built or were building highways to the required standards for the Interstate System be equitably reimbursed.

We were successful in our fight for recognition of the principle of distribution of Federal funds on a costs basis.

The chairman, whom I am looking at, had a lot to do with that, and I thank him very much again for that. He had a lot to do with it, as did the other members of his committee in the conference.

Under the 1956 act, each State will receive from the Federal Government 90 percent of the costs of completing that portion of the Interstate System which lies within its borders—no more and no less. This completely fair system of apportioning Federal funds is far superior to the old formula. Under that formula, the sparsely populated States in which construction costs are low would have received inequitable windfalls and the thickly populated States would have received insufficient funds to complete the highways within the planned construction period, and we never would have had a balanced Interstate System.

The Congress postponed a decision on the second principle for which we fought, namely, equitable reimbursement. The 1956 act merely contains a declaration that it was Congress' intent to determine whether or not reimbursement should be made to the States for highways, toll or free, which have been completed or put under construction on the Interstate System between August 2, 1947, and June 30, 1957.

It is now time for Congress to make that determination, and I am delighted that the chairman has called this hearing to focus attention upon the need.

Fairness and justice require that reimbursement be granted. Congress has a moral obligation to treat fairly those States which had the vision and courage to proceed to finance by their own methods the construction of these urgently needed highways prior to enactment of the 1956 act. Unless we enact legislation for reimbursement in the present session, severe penalties will be imposed against the very States which have made the most progress in modernizing the Interstate System within their borders.

This committee, gentlemen, is considering today many bills intended to meet the reimbursement problem. While I have not had the opportunity to give detailed study to all these bills, they appear to fall into three groups:

1. H. R. 10422, introduced by Congressman Buckley, your chairman, and companion bills sponsored by other members of this committee and of the House. These measures would limit reimbursement to toll highways (including bridges and tunnels), and would provide reimbursement by giving a State additional mileage on the Interstate System equivalent to the toll mileage it had contributed to that system.

2. H. R. 10921, introduced by Representative Scherer, of Ohio. This bill also would limit reimbursement to toll highways and would provide reimbursement by permitting a State to designate certain highways on its Federal-aid primary system equivalent in mileage to the toll mileage it has contributed to the Interstate System. Highways so designated would be eligible for a 90 percent Federal contribution instead of the usual 50 percent on the primary system.

3. H. R. 11365, introduced by Representative May, of Connecticut, which is a companion bill to S. 3429, which I introduced and which is cosponsored by Senators Purtell, of Connecticut, and Ives, of New York.

All these approaches to solution of the reimbursement problems have merit. However, I would like to confine myself today to discussion of H. R. 11365, and its companion in the Senate, S. 3429, and to certain modifications I have proposed since the bills were introduced.

Mr. JONES. Mr. Chairman, may I interrupt the Senator to make a request?

Mr. FALLON. Mr. Jones.

Mr. JONES. I have to go to another meeting which I preside over on the Committee on Government Operations, and I hate to leave because the Senator is certainly making a splendid statement.

I wonder if the committee will indulge me for 1 or 2 short questions before I leave?

Senator, I certainly do not want to disconcert you or disturb your orderly presentation to the committee, but concerning the items 1, 2, and 3 which you have offered, will they be a matter of business to be considered in the debate in the Senate now in progress on the highway bill?

Senator BUSH. I offered the bill I last mentioned, Senate bill 3429, to the committee, and appeared before the Senate Committee on Public Works and asked them to incorporate this in the Gore bill, which is up before the Senate today. The committee considered it very carefully and in their report they made the following statement. It is a very brief one so I think it will answer your question, if I read it.

The committee held hearings on Senate bill 3429, a bill which would authorize reimbursement to the States—

and so on—

The committee gave consideration to the information presented and discussed the matter thoroughly. The merits of this proposal are recognized, but it was felt because of the policy matters involved, the high costs of such reimbursement, and the questionable issues relative to the financial provisions, that the matter should be subjected to further study and considered as separate legislation.

Following my meeting with the committee, where I argued for this bill, we have revised the bill somewhat because of their objection.

The bill in its original form called for reimbursement of approximately \$4,300 million to be spent over a period of 5 years. We have changed that period and spread it over a period of 12 years, and no more than 10 percent of it to be spent in any 1 year. That is the basis of the Senate bill and Mr. May's bill, which is before your committee.

Mr. JONES. Yes, sir.

Senator BUSH. I intend to offer an amendment on the Senate floor of the same bill, and inasmuch as the committee did not accept it, I am not overly enthused with optimism about its chances at this time, but at least we will bring this plan before the Senate and get a good argument in the record for the principle of reimbursement.

I think some members of the committee who actually did not vote for this bill may speak favorably of the principle. So I think there would be a favorable background against which this committee might consider these bills.

Mr. JONES. Yes, sir.

You no doubt have seen newspaper articles published criticizing the House Public Works Committee because it failed to undertake certain allied propositions in connection with the road bill. I noticed that the Senate has taken on the proposition of the road signs, and all of those things, and I wonder if it would not be appropriate for them to consider these items just as well as they could consider the road sign bill, and the inducement to other utilities, and all of the other things they are considering in connection with that.

Senator BUSH. Mr. Chairman, I thought so. That is the reason why I took it up with them, and I intend to pursue it while the Gore bill is under debate.

Mr. JONES. I do not intend to speak for the committee, but it has been my observation that the House Public Works Committee has followed a pretty sound policy of trying to deal with things in their proper perspective, and also in the proper season. For that reason I think our legislation has been fairly free of those extraneous matters that now are giving concern to the Senate of the United States.

Thank you very much, Mr. Chairman, and you, Senator.

Senator BUSH. Mr. Chairman, I continue with my statement now. I have mentioned the three general classes of bills.

In general our bills are intended to carry out the major recommendations regarding reimbursement of the President's Advisory Committee on a national highway program, headed by Gen. Lucius D. Clay. The Clay Committee recognized that unless reimbursement were provided, the fact that a radically new highway program was under consideration might lead States to delay their plans for modernizing their highways on the Interstate System. Accordingly, the Clay Committee recommended reimbursement, and in the faith that Congress would recognize the equity and justice of their positions many States proceeded with construction of their Interstate Highways.

I quote pertinent sections of the Clay Committee's report:

Some States have already constructed sections of the Interstate System to the required standards with either State or toll financing and others are proceeding along similar lines. Such construction should not be discouraged by this report since our goal is maximum highway improvement. Those States in which sections of the Interstate System have been provided to meet the presently established standards for the completed system should receive appropriate credit, provided such funds are used to improve other roads on established Federal-aid systems or as may be approved by the Federal Government and all other Federal funds for highway purposes have been matched as required * * *

The funds thus made available to the States will not only encourage matching of available funds but will also make possible accelerated improvement of primary, secondary, and other roads, and will encourage local financing of interstate mileage to make funds available for other roads without increasing total Federal responsibility. They will be paid to the States only as required to meet the costs of projects approved for construction and, it thus appears would provide a major incentive to the highway improvement program as a whole.

Under the terms of our bills, all 48 States would benefit, for all, to greater or lesser degree, have constructed or have under construction free or toll Interstate Highways which would create eligibility for reimbursement. Twenty-six States, or more than half, have toll facilities on the Interstate System, while the remainder have constructed free highways only.

Our bills would declare it to be the policy of the Federal Government to provide equitable reimbursement to the States for acceptable highways, toll or free, incorporated into the Interstate System.

They would authorize the Secretary of Commerce to provide reimbursement, upon request of a State, if he determines that such highways meet interstate standards. The amount of reimbursement would be limited to the cost of the highway, less depreciation and less the total amount of Federal funds used in its construction. In the case of the toll highways, the reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for toll operation such as toll stations, and so forth.

As introduced, the bills provided that States so reimbursed could use the funds for construction of projects on any Federal-aid system within their borders without a requirement of State matching funds. I have proposed a modification of this provision which would give priority to the construction of projects on highways which connect with the Interstate System and enhance the utility of the Interstate System.

I know that this committee is concerned with the cost of reimbursement, which has been estimated by the Bureau of Public Roads at approximately \$4.2 billion, about equally divided between toll and free highways. In our bills as introduced, it was provided that the reimbursed funds must be obligated within 5 years, as I told Mr. Jones. Upon reflection, I have decided that 5 years is too limited a period in which to expect the expenditure of so large an addition to the normal flow of Federal highway funds. Accordingly, I am modifying my bill to give a State until July 1, 1972, to obligate the reimbursed funds to its credit, with a proviso that no more than 10 percent of the total credit may be obligated in any 1 fiscal year.

Mr. Chairman, in closing, I should like to state for the record that I have serious reservations personally about the wisdom of hasty action on so large an addition to the Federal highway program as is proposed in S. 3414, the so-called Gore bill, now before the Senate.

I agree that acceleration of some public works programs can assist in relieving the unemployment problem with which we are all very much concerned at the present time, but personally I would prefer that priority be given to school construction, which I regard as a far more urgent national need than making bigger an already enormous highway program. I regret that the President's classroom construction bill was defeated during the last session. However, that bill is still alive in the Senate Committee on Labor and Public Welfare and I hope that the Democratic leadership will see fit to have it brought to the floor. In my judgment, Federal funds spent on schools would have more effect in creating jobs and would serve a greater national interest than adding new Federal dollars to the highway program. At this critical time, we should be spending at least as much money for character building as for road building.

I may say, parenthetically, I think one of our troubles is we get the emphasis in the wrong places too many times in our country. We have been emphasizing these tremendous automobiles, this speed, and they have begun to be so different that our cities are having trouble with them. They do not have parking facilities for them and they are tying up traffic and causing deaths and destruction on our highways. It has become a very serious national problem. They have also priced the automobiles so high that they have gotten out of reach of most working people in this country, which I think is one of the chief causes of the recession in which we find ourselves now.

I think it would be much better if we took some of this highway money and put it into things of lasting value, such as the training of our youth and their education, which would greatly fortify the country in the years ahead, to give some assistance to the spiritual and intellectual life of our great country, rather than so much emphasis on the material phase.

Despite my reservations, I recognize that this Congress will soon act on highway legislation and it is my conviction that any legislation

to be enacted must, in the interests of justice and equity, treat fairly those States whose vision and courage have contributed so much to the Interstate System. I therefore urge you strongly to include the principle of reimbursement in any bill affecting the Interstate System which you may report to the House.

That concludes my statement.

Mr. Chairman, with your permission, I should like to insert in the record a table entitled "Net Reimbursement Amounts Based on 90 Percent of Depreciated Original Cost Less Federal Aid Already Paid on Toll and Free Roads."

Mr. FALLON. If there is no objection, so ordered.
(The table referred to is as follows:)

Net reimbursement amounts based on 90 percent of depreciated original cost less Federal aid already paid, toll and free roads

[In millions]

State	Total cost less depreciation, table ASC	Federal aid matching ratio	Total reimbursable amount based on 90-10	Less Federal aid payments already made, table AZ	Net reimbursable amount
Alabama.....	\$18.2	0.9000	\$16.4	\$9.7	\$6.7
Arizona.....	41.9	.9439	39.5	25.0	14.5
Arkansas.....	14.0	.9000	12.6	8.9	3.7
California.....	379.9	.9162	348.1	87.5	260.6
Colorado.....	45.8	.9131	41.8	24.8	17.0
Connecticut.....	326.6	.9000	294.8	15.5	278.5
Delaware.....	34.9	.9000	31.4		31.4
Florida.....	35.5	.9000	32.0	3.4	26.6
Georgia.....	68.7	.9000	61.8	24.2	37.6
Idaho.....	11.8	.9230	10.9	7.5	3.4
Illinois.....	550.1	.9000	495.1	84.4	410.7
Indiana.....	180.6	.9000	162.5	16.2	146.3
Iowa.....	12.1	.9000	10.9	7.0	3.9
Kansas.....	109.3	.9000	98.3	10.3	88.0
Kentucky.....	37.6	.9000	33.8	6.5	27.3
Louisiana.....	33.3	.9000	30.0	12.6	17.4
Maine.....	38.7	.9000	34.8	3.7	31.1
Maryland.....	165.3	.9000	148.7	13.4	135.3
Massachusetts.....	292.0	.9000	262.8	13.2	249.6
Michigan.....	283.1	.9000	254.8	59.8	195.0
Minnesota.....	25.9	.9000	23.3	10.8	12.5
Mississippi.....	12.5	.9000	11.3	6.6	4.7
Missouri.....	113.8	.9000	102.4	46.1	56.3
Montana.....	15.0	.9131	13.7	11.1	2.6
Nebraska.....	1.4	.9000	1.2	.5	0.7
Nevada.....	10.9	.9500	10.4	9.7	0.7
New Hampshire.....	10.1	.9000	9.1	2.3	6.8
New Jersey.....	356.4	.9000	320.7	22.0	298.7
New Mexico.....	20.0	.9258	18.5	13.7	4.8
New York.....	1,036.2	.9000	932.6	139.5	793.1
North Carolina.....	58.5	.9000	52.7	24.2	28.5
North Dakota.....	6.9	.9000	6.2	4.5	1.7
Ohio.....	300.1	.9000	270.1	50.7	219.4
Oklahoma.....	101.8	.9000	91.6	13.7	77.9
Oregon.....	106.0	.9238	97.9	31.9	66.0
Pennsylvania.....	432.6	.9000	389.4	102.4	287.0
Rhode Island.....	19.2	.9000	17.3	6.9	10.4
South Carolina.....	9.5	.9000	8.6	5.4	3.2
South Dakota.....	9.8	.9117	8.9	5.2	3.7
Tennessee.....	14.8	.9000	13.3	9.2	4.1
Texas.....	285.1	.9000	256.6	97.2	159.4
Utah.....	18.3	.9488	17.4	13.5	3.9
Vermont.....	3.2	.9000	2.9	1.9	1.0
Virginia.....	123.0	.9000	110.7	14.5	96.2
Washington.....	90.3	.9071	81.9	20.8	61.1
West Virginia.....	9.5	.9000	8.6	4.5	4.1
Wisconsin.....	12.7	.9000	11.4	5.5	5.9
Wyoming.....	23.1	.9287	21.5	15.6	5.9
District of Columbia.....	16.2	.9000	14.6	9.2	5.4
Alaska.....					
Hawaii.....					
Puerto Rico.....					
Total.....	5,922.2		5,345.0	1,128.7	4,216.3

Mr. FALLON. Thank you very much, Senator, for your very clear and concise statement.

Are there any questions?

Mr. Blatnik.

Mr. BLATNIK. I have no questions, but I wish to make one brief comment.

The Senator presents a very compelling and a very convincing argument in behalf of equity and justice for those States that have gone ahead and built up to standard roads that are now being included in the Interstate System. I think Congress itself was aware of the need for doing something along these lines when we included in the Federal-Aid Highway Act of 1956 section 114, which says that it is the sense of the Congress that the Secretary of Commerce should report to the Congress on the incorporation of certain highways into the Interstate System.

So I am quite sympathetic to the case you present, Senator.

Senator BUSH. Thank you, Mr. Congressman.

Mr. MCGREGOR. I have no questions other than to congratulate the distinguished Senator on his statement. Having served with him on conference committees, I realize the study he puts in, and I am always glad to have his views. However, I have one question.

If we give a credit to the various States—and my State would materially benefit—I am wondering what we are going to use for money, Senator? We hear everyone saying that this tax or that should be cut, and one instance that seems to be requiring immediate attention is the excise tax on automobiles. The minute we reduce the excise tax on automobiles, we are taking from our highway fund in excess of \$1 billion.

So I am wondering just where we are going to get the money to operate this program.

Senator BUSH. Mr. Chairman, I should be happy if I could give an unchallengeable answer to the gentleman's question as to where we get the money. I think it is a very appropriate question.

I can simply say I did not come before this committee today to discuss that particular issue. I myself have a great deal of wonderment, just as Harry McGregor has, as to where we are going to get the money, because it is not only this program, but it is so many others that affect our possible increased expenses and our very likely decreased income. It disturbs me very much indeed.

Mr. MCGREGOR. I think I used the very words you used, Senator Bush, at the last conference, when you raised the question, like all of us, what are we going to do for money? That is the reason why I brought it up.

Senator BUSH. I say to the gentleman I think it is a very appropriate question. My purpose in testifying before this committee, however, was not to deal with the economics of the situation, but to get before the committee the principle of reimbursement—the fairness and equity and justness of this principle. If we are to have highway legislation in this session it seems to me that the time has come in view of the Congress' action in 1956—the time has come to recognize that principle now. That is what I hope this committee will do.

Mr. SMITH. Senator, I think your plan for reimbursement, in the sense that it takes into consideration depreciation and various other

items, is the fairest one that has been presented in the general line of the bills that have been presented to us in regard to this situation. However, you do not take up the question of whether or not reimbursement should be made for the roads and facilities which remain under toll. In other words, you presume that the Federal Government should pay 90 percent of the cost, as I understand it, of these facilities, and at the same time tolls should be collected?

Senator BUSH. That is not the intention of our bill, Mr. Congressman. We would be reimbursed, under our bill, for any segment of a toll road, or all of it, if it was accepted as a part of the Interstate System on the basis of the depreciated value as it was found to be by the Bureau of Public Roads. But we would not be charging tolls on the road which we built with Federal funds. Do you see what I mean?

Our reimbursement money would be put into other roads on the Federal-aid highway system, and there would be no tolls charged on those roads. So that the principle you referred to, I believe, would not be violated.

Mr. SMITH. You would be reimbursed, though, for facilities for which you were charging tolls after the reimbursement?

Senator BUSH. We would not be putting federally aided highway funds into a toll road. We would be putting them into a free road.

Mr. SMITH. Then, if that is the case, why not, instead of having a reimbursement program, have just a general program to give all States some money for free roads?

Senator BUSH. Because that would not be recognizing the principle of reimbursement, which is the whole point.

Mr. SMITH. I note you make quite a point in the earlier part of your statement in which you say that you review the fight for the so-called costs formula for the Interstate System and you state it was put through because if it had not been put through there would have been windfalls for other States where the cost of construction would not be as high. I agreed at the time the highway legislation was passed and accepted the necessity of having it placed on a cost system, but do you not think if you are going to keep these toll facilities under these considerations, that it would be the equivalent of their getting a windfall?

Senator BUSH. Oh, no. On the contrary, there would not be any windfall at all. It would be only equitable treatment under the intent of the original committee, that is, the Clay committee, and the principles recognized in the 1956 act, you see. It is not a windfall. It is simply an equitable recognition. I think that you yourself would agree that a State which had the courage and vision and foresight to go ahead and build the Interstate System mileage between 1947 and 1957, should not be penalized for doing that; but, rather, if anything it should be rewarded. The only reward the bill suggests is just an equitable reimbursement.

Mr. SMITH. I agree that any mileage built in advance that was not kept under tolls should be reimbursed for under this depreciation plan, but as long as you ask for reimbursement and you still ask to get your tolls and continue the tolls, I do not think you are entitled to it. Are not your tolls paying out in your State?

Senator BUSH. Very well indeed, but I am afraid I still have not made my point clear, which is we are not going to use this money for building additional toll roads but we are going to put it into free roads.

Mr. SMITH. I agree, but you are not putting them into a part of the Interstate System.

Senator BUSH. No; but we have the Interstate System. It has been accepted in very large part. Just take Connecticut, for example. We have 129 miles of the new Connecticut Expressway there. I hope a lot of you gentlemen will travel there when you get into the recess here, because it is a beautiful gateway into New England now. That road is built. It has been financed and accepted as up to Interstate System standards by the Bureau of Public Roads.

We are fortunate in being able to make an advance contribution to this Interstate System, and certainly the State of Connecticut should not be penalized for that, nor the State of Massachusetts, nor any other State which made advance contributions of finished mileage.

Mr. SMITH. I agree that you should not be penalized, but if you are going to get reimbursement, and you used the term reimbursement, although you say your bill is basically a reimbursement bill—if you get reimbursement for something that you will continue as a toll facility it seems to me you are in the position of asking to have your cake and eat it, too.

Senator BUSH. Not at all. I am sorry to disagree with you, but it is just the opposite.

Mr. EDMONDSON. Will the gentleman yield?

Mr. SMITH. I will yield to the gentleman from Oklahoma.

Senator BUSH. If I may make this statement: A toll is just a form of taxation, just like any other tax, just like gasoline tax.

We happened to finance this particular road through the toll tax rather than a gasoline tax, and we should not be penalized if we are contributing mileage to the interstate system.

Mr. EDMONDSON. Is not your basic position the same one that Mr. Buckley of New York and others sponsoring somewhat similar legislation have taken, which is that the Nation and the Interstate Systems have, in effect, enjoyed a windfall through the efforts of these States that have completed mileage that has been put into this system unless we do give reimbursement for what the States have done?

Senator BUSH. I think the gentleman put it very much better than I did. If there was any windfall involved, I think the Federal Government has got it, or the Nation has got it by advanced contributions to the Interstate System in completed mileage. I am glad you brought that out. It is a very good way to put it.

Mr. WITHROW. Senator, I want to compliment you on a very fine statement. I am from Wisconsin and we have carried on a very ambitious highway program there for the past several years. Now, we do not believe in toll roads, and we do not have any toll roads in Wisconsin, but we have carried on this program.

Do you not think it is discriminating against us when we do not get 1 mile?

Senator BUSH. May I ask the gentleman a question?

Mr. WITHROW. Do you not think it is discriminating against us to reimburse you for your toll roads?

Senator BUSH. May I ask you a question?

Mr. WITHROW. Yes.

Senator BUSH. I am not familiar with your highway system, I regret to say. I spent a few years in Wisconsin when I was 5 or 6 years old, but I have not lived there since. But, do you have any modern mileage that was built between 1947 and 1957 that would meet the standards of the Interstate System as of today?

Mr. WITHROW. We have some, but how much I would not be able to say.

Senator BUSH. The bill I sponsor and which Congressman May introduced here does not differentiate between toll roads and free roads. So if you have free road mileage which meets the Interstate System standards, you are eligible for reimbursement just as much as any toll road which meets the standards of the Interstate System.

Mr. WITHROW. According to this chart here we are not in for any mileage at all in the 2,254 miles and a fraction that you asked to be added to the Federal Interstate Highway System.

Senator BUSH. Is that the chart I put in the record?

Mr. WITHROW. This is Representative Buckley's chart.

Senator BUSH. I am not familiar with that.

Mr. WITHROW. To pursue that just a little bit further, to carry on the discrimination, for instance, this money will all have to come out of the trust fund. Well, now, if you insist on being reimbursed for your toll roads, how much is that going to delay our Interstate System in particular in Wisconsin, where we do not have any additional mileage on this?

Senator BUSH. May I say to the gentleman that I want to repeat this bill is not to show preference to toll roads over free roads. They are to be treated alike, provided the State has gone ahead and between 1947 and 1957 built mileage which can be accepted by the Bureau of Public Roads into the Interstate System.

What Wisconsin's share would be of that I am not prepared to say at the moment. Maybe Mr. Rothschild can fill that in when he comes before you here. But you must get out of your mind that in my bill there is any discrimination between toll roads or free roads, or that one has any advantage over the other, because it does not.

Mr. CRAMER. Will the gentleman yield?

Mr. FALLON. The gentleman from Mississippi has the floor.

Mr. SMITH. The gentleman from Missouri is next in mind.

Mr. BROWN. Do you feel that the primary purpose of the Highway Act of 1956 was to build roads, or to adjust the bookkeeping?

Senator BUSH. The primary purpose of that act—the primary purpose of it—was to build an Interstate System of highways up to modern standards in the most heavily populated areas, with three lanes each way, and controlled access, and so forth. The purpose was to build a system and not a lot of roads, connecting the capitals of the various States and the principal centers in the various States. That is why the Congress finally got away from the old formula of apportioning funds on the basis of population, rural free delivery routes, and square mileage, and put the emphasis on the cost per mile, so that they could build a system. That was the primary purpose of that law.

Mr. BROWN. Do you think, Senator, we would have a crying need for completing that system as soon as we can?

Senator BUSH. You recall when I made some parenthetical statements toward the close of my prepared statement, and that may have prompted you to make this inquiry. I do not know. I do feel sometimes we get the emphasis in the wrong places, and I think possibly this may be one. But I am not trying to rewrite the Highway Act of 1956 and I am assuming it is going to be implemented with legislation by the Congress. So I come to the reimbursement again with all of the force I can, so as to get it recognized in fairness and equity and justice to all of the States.

Mr. BROWN. If the Congress was right in the Highway Act of 1956, then do the delays we have encountered in the first 2 years of operation discourage you in any way?

Senator BUSH. No.

Mr. BROWN. You do not feel that there is any complication that has arisen, or anything of that sort, because it is being stretched out into a longer period of time and it will be that much longer before we get the system?

Senator BUSH. I say to the gentleman that I left the Public Works Committee a couple of years ago and I am not in as nearly full touch as I have been. I have not been keeping up to date with it as our Subcommittee on Roads has, so I am not in a position really to make an intelligent answer to that question.

Mr. Rothschild is going to follow me here, and I am sure he can give you the information you want about that. I have been under the impression up to very recently, and I have not changed it, that I have heard the program in 1957 proceeded about on schedule and was making very satisfactory progress.

Mr. BROWN. Have you seen any of these estimates made about the delay which is going to take us 5 years longer, or more than that, in order to complete the system, than was originally anticipated?

Senator BUSH. Because of the increased costs and having to stretch it out.

Mr. BROWN. Yes.

Senator BUSH. Yes; I am familiar with that.

Mr. BROWN. If you were given a choice of making retroactive settlements on roads previously built, or to complete the system, which would you choose?

Senator BUSH. Will you state that again? If given a choice—

Mr. BROWN. If given a choice between completing the system as originally planned by the Congress on schedule, or making retroactive settlements on roads built, previous to 1956, in whatever way the bills would provide, which would you choose?

Senator BUSH. I do not think I would have to choose. I think that the reimbursement for the roads already built should be recognized, because that much has already been done, and people who have gone ahead and done that should not be penalized in favor of those who have been less forward-looking in expanding their interstate mileage.

Mr. BROWN. Was there not recognized in the original bill the principle of reimbursement?

Senator BUSH. It was indeed.

Mr. BROWN. Is not the question—when the reimbursement shall be made, and how?

Senator BUSH. That is a very important question, and that is the reason why I say to the gentleman I changed my bill after testifying before the Senate committee from a 5-year plan to a 15-year or 14-year plan. Do you see what I mean? We are stretching it out with no more than 10 percent in any 1 year.

If the gentleman is talking about the money aspects of this, that formula could even be modified so as to say for the first 2 years, or the first 3 years, there would be no reimbursement, or something like that. There are lots of ways within which you can work in that 15-year period. I am not going to be fussy about the details of that, as far as I am concerned. The main thing I think we want and everybody would like to see is that the principle be recognized now officially and legally, and that some provision be put into the law this year to do just that.

Mr. BROWN. Senator, I share your concern and your desire to work out an equitable recognition of the principle. The thing that disturbs me, though, is that we are going to need every dime we can get to complete the system. In your State you have fine roads, and a lot of them. I have lived in your State and enjoyed those roads. As you get farther west, we need roads, and we need them desperately, in this Interstate System.

I do not know in my own mind whether we would better use that 10 percent principle to reimburse roads already built, or whether we had better get this thing back on schedule and build these roads which we desperately need and might need very seriously for defense one of these days.

Senator BUSH. Well, I would like the gentleman to solve that dilemma in his mind. I am trying to do that in all my testimony.

Mr. BROWN. Has the Senator solved it in his?

Senator BUSH. Yes; I have, to this extent: I say if we are going to have a bill this year I think it is now or never on this question of reimbursement. The further we get away from the Clay report and from the recognition accorded this principle in the 1956 act, the less likelihood in my judgment that we are going to get fair treatment on this thing. Time is a great befuddler. "Healer" I suppose is the word.

Mr. FALLON. I want to ask Senator Bush one question.

Senator, you said that the roads built by the toll authorities and the roads that were free roads on the Interstate System, and up to Interstate System, should get fair and equal treatment. Is it not true, Senator, that a toll road does not cost the taxpayers of that State any money?

Senator BUSH. Oh, no. I would not agree to that at all.

Mr. FALLON. I am not talking about the people in the State who pay the tolls. I am talking about the cost of building and operating and amortizing the toll road. It is not planned that it would cost any particular State any money, whereas the States that built free roads, the State either put up 60 percent, or 50 percent of the money, in that instance. That is, the taxpayers of that particular State did. So there are two different situations there.

Senator BUSH. No, Mr. Chairman, I don't think I can agree to that, for this reason: As I said a little earlier, the toll is simply another form of tax. The gasoline tax is the one we have depended on in our State to a very great extent. Most of you have done likewise in your States.

That has been a great contributor to our highway program. We have also built some toll roads, which is another tax on our citizens, and a tax on you gentlemen and our friends who come through our State and go into New England for recreational business. But when those same people go through your State they pay a tax too when they buy gasoline at your filling stations. We do when we drive down here from my State.

MR. FALLON. But Senator, is it not the fact that when a State puts up 50 percent, or 40 percent of the money, it is put up by people who do not even use the highways?

Senator BUSH. In some instances, yes. To some degree that is true. We have come to the point now that we have to concede most people do use highways.

MR. FALLON. So that puts the free road in a different category than a toll road.

MR. CRAMER. Will the gentleman yield?

MR. FALLON. Mr. Cramer.

MR. CRAMER. It is true, is it not, that the reason for increasing reimbursements on the Interstate System from 60-40 to 90-10 in this 1956 Highway Act was largely because of defense, and it was intended to be a defense highway. Is that not correct?

Senator BUSH. Partly. I do not know how to divide the emphasis there, but it was defense and it was safety and it was commerce. Certainly defense was one of the most important elements.

MR. CRAMER. Defense was the principal justification for increasing the Federal contribution up to 90 percent.

Senator BUSH. That was one of them. Yes.

MR. CRAMER. Do you not think consistent with that objective of having a defense highway system, that this committee should acknowledge the necessity of freeing the toll facilities, if in fact any reimbursement is given?

Senator BUSH. No, I do not see why they should be.

MR. CRAMER. Do you not think a toll facility hampers a defense highway system?

Senator BUSH. That it would be hampering it?

MR. CRAMER. Yes.

Senator BUSH. Well, I wouldn't say we have noticed that in our State.

MR. CRAMER. Don't you subscribe to the theory that defense highways should be free highways?

Senator BUSH. Of course, I might say if the gentleman is contemplating an armed conflict, that in case of emergency there would be no question of the tolls. The Federal Government could go in and appropriate that road, or certainly lay down the provisions for its use if we were in a state of war, or something like that. But under conditions where we are not in active war, I think it would be wise for these toll roads to go ahead and pay out, and, if they are on the Interstate System, they be reimbursed and the money be put into other roads which are also needed very much.

MR. CRAMER. Do you not believe it is a wise policy for Congress to try to get toll roads paid off as soon as possible if they are accepted as part of the Interstate System and the States are reimbursed for that mileage?

Senator BUSH. I would think the Congress could leave that to the States, Mr. Cramer. I see no reason for the Congress to make any provisions that would tell the States to hurry up and get the toll roads paid off, and the bonds paid off. They cannot do very much about it anyway. As I see it, it has to take place over a period of years, because the tolls are figured to take care of your indebtedness over a period of 20 to 30 years.

Mr. CRAMER. Most of them, of course, have acceleration clauses in them permitting payment but only after a certain number of years without penalty.

Senator BUSH. Yes, they can do that if they have the money, and they might very well do it.

Mr. CRAMER. Why should they not use this reimbursement money for that purpose?

Senator BUSH. The business of gaging what or just how to do that I think might be a very difficult thing to do. I also think that it would be much better for the States and for the country generally, because of the shortage of good highways that we have, not just to pay off an existing highway, but to take whatever money may be coming to it justly to use for the expansion of the highway system. Because of the conditions imposed on these States, particularly in more densely traveled and more densely populated States, they have made our highway systems very outmoded in many parts of New England. I cannot speak too forcibly about Wisconsin or some of the Western States, but we are outmoded by the new method of transportation.

Mr. CRAMER. I agree that there is a need for better transportation all the way down the line.

Senator BUSH. Yes. So it seems a shame to put the money back into something already done, and it would seem better to put it into new roads. We are not having any complaints about our toll roads in the State of Connecticut.

Mr. CRAMER. The 90-10 money was intended to be spent on the Interstate System. But your proposal is that it be spent on other Federal and nondefense highway systems.

Senator BUSH. That is right.

Mr. SCHERER. Do you agree with the principle enunciated in the Buckley bill that we must increase the mileage on the Interstate System in order to provide this reimbursement which we are seeking?

Senator BUSH. No. I am bound to say, with all due respect to Mr. Buckley, I prefer the formula in our bill to his. His bill requires additional interstate mileage. It requires an added interstate mileage to the whole system, and I do not think that is necessary or desirable.

Mr. SCHERER. What objection, if any, do you have, Senator, to the provisions in my bill which provide for reimbursement by means of paying 90 percent for the construction of primary Federal aid roads, rather than increasing the mileage on the Interstate System?

Senator BUSH. I would prefer your bill to the Buckley bill. I prefer your formula to the Buckley formula, but I think your bill is also a little narrower than mine.

Mr. SCHERER. I agree it is narrower, and I would certainly agree to the amendment. It is equitable that those who have built free roads which meet the interstate standards should be reimbursed under a similar formula.

Mr. FALLON. Will the gentleman pause for a minute? The Chair would like to state that we have a long list of witnesses here this morning, and we would appreciate it if the members would direct questions to the witness, rather than to make observations.

Mr. CRAMER. I have just one additional question, Mr. Chairman.

The thing that bothers me about your position, Senator Bush, with respect to using these 90-10 funds for other purposes, is first you assume there has been a State expenditure which deserves to be, or equitably should be, reimbursed, when actually bonds are floated.

Senator BUSH. That is right.

Mr. CRAMER. I have a little difficulty in reaching your assumption, because the toll facilities were constructed not out of State tax revenue, but out of bond issue money.

Senator BUSH. The State's credit is solidly involved in this.

Mr. CRAMER. Oh, yes, but that is only involved if the States ever have to pay off on their credit or guaranty, and I do not know of any situation recently where they have had to pay off.

Senator BUSH. I see no difference in borrowing in fact for a toll road and for any other purpose by the State. It has to be paid back by taxes.

Mr. CRAMER. They are not paid back by taxes, but by the users.

Senator BUSH. That is a tax.

Mr. SCHERER. But when a toll facility is made part of the Interstate System by the Federal Government, then the State loses that equivalent mileage that was originally allotted to that State on the Interstate System. That is where your loss comes in.

Mr. CRAMER. I appreciate that, but what I am talking about is the fact that only when a State when it actually puts out money does it have anything paid out for which it is to be reimbursed equitably.

Mr. BALDWIN. As I understand your proposal, Senator Bush—and I come from the State of California—we in California have put in the last year over \$100 million into the Federal Interstate System, beyond any matching funds. We just put it into the system on our own. The State Highway Division of California wants no reimbursement, but we want to build some more roads. As I understand your proposal, you would end up with a situation where we would reimburse Connecticut for the amount of expenditures you put into your toll roads, which would be given to you for any other roads, but then any Californian who wants to go across country and goes to Connecticut is not only paying your gasoline tax, but your tolls; whereas the Connecticut man who comes to California can use the Interstate System there without paying tolls. It does not seem equitable to me.

We have a double assessment in your State, even after giving you equivalent funds.

Senator BUSH. Under our plan California would get \$260 million.

Mr. BALDWIN. That is not my point. We want to build more roads.

Senator BUSH. That is what you can do with the \$260 million.

Mr. BALDWIN. But the point is, you are putting in an Interstate System proposal which would end up with anybody using those highways still being assessed a toll after we paid you for those roads; whereas in the free States that would not be true.

Senator BUSH. That is true. It would not be true, but I don't see any particular difference.

Mr. BALDWIN. There is a material difference. Anybody using an Interstate System highway will pay double when it is a toll highway, but anyone using a free State highway is paying only once for the gas tax and not the toll.

Senator BUSH. Then why does the Federal Government take our toll road into the Interstate System?

Mr. BALDWIN. I did not make that decision, but I think your proposal is inequitable in that respect.

Mr. FALLON. Are there any other questions by members?

(No response.)

Mr. FALLON. Thank you very much, Senator Bush, for your statement.

Senator BUSH. Thank you very much, Mr. Chairman and members of the committee, for your courtesy.

Mr. FALLON. And thank you for the nice and concise manner in which you answered the interrogations of the members.

Governor Ribicoff.

Gentlemen of the committee, I do not think Governor Ribicoff needs any introduction except to the new members. He served for many years as our colleague from Connecticut.

STATEMENT OF HON. ABRAHAM RIBICOFF, GOVERNOR OF THE STATE OF CONNECTICUT

Governor RIBICOFF. Mr. Chairman, let me say to you it is good being back here and seeing so many of my old friends on both sides of the aisle. I appreciate the invitation of Chairman Buckley to have me come down. I listened with a great deal of interest to some of these questions you have asked. I would proceed with my statement, but may I say, please feel free to interrupt me at any time.

I think my point of view, instead of the Congressional point of view, will be looking at it from the States' point of view and the governors' point of view, and as I proceed any questions that occur to you gentlemen, please feel free to interrupt the statement at any time.

The issue I wish to discuss with you today is one of simple justice. It raises the question as to whether Connecticut, together with some other States, should pay a penalty for progress; whether it should be denied fair and equal treatment because it has shown foresight.

The situation as it affects Connecticut is this: Let me give you the example of how this works.

With the start of 1958, an important stretch of highway known as the Connecticut Turnpike was opened to traffic. Its construction was authorized by the Connecticut General Assembly in 1953.

It is a high-standard modern expressway. For 129 miles it traverses the densely populated, highly industrialized Connecticut shoreline from the fringes of the New York City metropolitan area to eastern Connecticut, near the Rhode Island line.

Because the Connecticut Turnpike is a strategic link between the vast network of highways in the New York metropolitan area and many vital industrial areas in New England, no one can question its value to the Interstate System or to the national interest.

The Department of Commerce, Bureau of Public Roads, has accepted 89.6 miles of the Connecticut Turnpike as part of the Interstate

System of Highways under the 1956 Federal Highway Act. Yet, as the law now stands, Connecticut is denied Federal reimbursement for this big section of the turnpike except for some small toll-free sections.

In effect, if Connecticut had shown less vision, less enterprise, less progress, it would have been able to undertake this project with substantial Federal aid under the 1956 Federal Highway Act. But because it tackled the job on its own prior to the adoption of the 1956 act, it stands to lose between \$250 and \$280 million that it would have received in Federal reimbursement had it waited.

This is a penalty that no State should be asked to pay for showing early awareness of the interstate highway needs of the country and for its enterprise in helping to fill that need.

Clearly, this is a situation that Congress should correct as a matter of fairness.

In order that you may better understand our position, I offer this fiscal data:

To finance the 89.6 miles of the Connecticut Turnpike, Connecticut has assumed a debt of \$354 million. The interest costs over the life of the debt will total \$372 million.

To liquidate this obligation, a barrier-type toll system has been adopted. This permits substantial toll-free usage of the Connecticut Turnpike.

The tolls themselves will be used only to meet interest and principal payments. Operation and maintenance costs are being paid with other State funds. They are not a direct charge on the turnpike users.

The only Federal reimbursement we have received for the turnpike under the 1956 Federal Highway Act is \$5.8 million. This covers certain toll-free sections. I am sure that you will recognize that the amount is grossly disproportionate to the cost of the full 89.6 miles of turnpike that Connecticut has contributed to the Interstate System.

There is one other problem concerning our highways which I would like to discuss with you briefly. This is the present method of Federal reimbursement.

We have been discussing the question of reimbursement, but the situation I am going to discuss with you now is so vital to each one of our 48 States, and I am sure this problem faces each one of your own governors, and your own legislatures, that it would be a great contribution on your part in discussion of the Gore bill to consider what I am discussing with you now, so that the Federal highway program can proceed without breaking our States.

We in Connecticut have found the present system a very serious handicap in our efforts to speed up construction of sorely needed highways. I am sure the same is true of other States.

What the situation requires, in my opinion, is a more simplified, quicker method for the Federal Government to make its grants available to the States.

What I would suggest specifically is that the Federal Government pay its grants as the States themselves make matching money available.

The general effect of the present system is to require a State to finance the entire cost of a highway project before it can receive Federal reimbursement. My proposal is that the State be required to finance only that portion of the cost that it must ultimately pay—

10 percent in the case of interstate highways—with the Federal Government making the balance immediately available.

The problem is of immediate concern to Connecticut because of a special session of the general assembly which I called to deal with unemployment. I have recommended to the general assembly an extensive, much-needed highway construction program that would require the State to borrow \$345 million to finance its entire cost.

Out of that, over a period of 45 years, \$295 million will be reimbursed by the Federal Government under the 1956 act.

The proposal I have outlined to you would substantially reduce the amount of borrowing the general assembly would be required to authorize for this highway program.

The reason why I have added this factor in is because it is something your staff might like to take into account, because whether you do something or do nothing on the reimbursement feature, if you are going to have an accelerated-highway program under the Gore bill and if this House goes along with the Gore bill, you are going to find the States of Connecticut, California, and Ohio and all of the States being met with a need to finance and build the expanded-highway system. The great problem I have as governor, and that your governors will have in your respective States, is that we must put out our money first, the State's money under State authorization and appropriation, before we get reimbursement. A few States like Ohio and California have already gone out and borrowed money in anticipation of Federal grants. I am asking the Connecticut General Assembly to give us authority to borrow money. But to me it is a crying shame for the States, all of the States, to put out and advance money for the Federal share. We will put up our share and the Federal Government will say, "We will not put up our Federal part until the State puts up its share." However, why the States have to be the bankers for the Federal Government I do not understand at all, and this is unfair and will act as a great hindrance on the entire Federal Government program.

Mr. GEORGE. Will you yield?

I can tell you why you have to bank for the Federal Government. There was an amendment by Senator Byrd included in the financing portion of the 1956 act which said you cannot obligate the money faster than you collect it. Prior to the 1956 act we made an appropriation against the general funds of the Government.

That one amendment I think is what is binding the Federal Government as far as being able to advance money on July 1 is concerned, and possibly this Congress will repeal that amendment.

Governor RUBINOFF. I understand that, and that is why if you are interested in using highways as an accelerated recession measure, then it will not do any good if you do not make the money available to the States. That is why it would be my hope when this committee has its own bill to consider in the House, that it will definitely keep in mind the problem in our respective States, because it is not any good to say that we will make available \$200 million to the State and then make the State go out and borrow and raise the money and spend the money and pay the contractors, and then bill the Federal Government, because the Federal Government's position in collecting this vast sum of money was specifically designed to reimburse the States, and they are not being reimbursed.

This is complicated and sticky, and very few people understand it. Very few people in the States understand it, but I am sure your respective Governors who are dealing with this problem day by day realize they have a very complicated problem in State financing. I think you would be doing your Nation and your districts and your own States a great service if you would free and make available the money for the roadbuilding program.

Mr. MACK. Governor, will you yield?

Governor RIBICOFF. Yes.

Mr. MACK. Governor, suppose the State of Connecticut proposed a \$10 million project and wanted the Federal Government to contribute its \$9 million share to that project. Do you mean to say by your statement it would be necessary for Connecticut to put up \$10 million before the Federal Government could refund \$9 million to your State?

Governor RIBICOFF. That is the situation today. The situation today is this, Congressman Mack: It is that we in the State now have to have available the \$10 million authorized and set aside in the comptroller's office.

Mr. MACK. By your State.

Governor RIBICOFF. By our State. The whole \$10 million. Not only the Federal share, but ours. Then we go ahead and let \$10 million worth of contracts, and after we start paying them the Federal Government starts reimbursing the State of Connecticut.

So the States today are basically the bankers for the Federal Government on this road program. If you write your governor I am sure he will tell you he is plagued by the same problem in the State of Washington.

Mr. MACK. The Interstate System program has been lagging far behind the expectations of this committee. I know that in your State you used only about half the money you are entitled to use.

Governor RIBICOFF. That is right. We have about \$53 million, but we do not have the money to match it. We have problems in the State of Connecticut. Not only do we have to use that money for the Interstate System, but on the purely State system. Connecticut may be like other States. We give State aid to various towns to build town roads. We have to clean off the snow and maintain our roads and our bridges. So we take the entire amount of money and we have X amount of dollars left.

If we were to take all of the State's income for roads and put it into the Interstate System it would mean a complete deterioration and a lag in the other roads. This is wrong.

One of the reasons why the Interstate System is lagging is because the Federal Government basically, although it may not mean to, is really pulling a fast one. The Federal Government says to the States, "Here, we give you all of this money which is available to you." Ah, but they do not. They make us pay out the money first and then we have to bill you.

If this is the only alternative, I am for going out and borrowing money to build the Interstate System. Ohio and California have already done so. I think they have done the right thing if it is the only way to build roads. If the only way you can do it in the State of Connecticut is that way, I advocate we do so, but it is wrong.

Mr. MACK. Construction on the Interstate System program has bogged down, I know, because the Federal Government made available up to April 1 about \$4,800 million, and only about one-quarter of that money is in the construction stage at the present time.

Governor RIBICOFF. That is right.

Mr. MACK. You may have placed your finger on one thing that is causing it to lag far behind expectations.

Governor RIBICOFF. That is right. We have \$53 million we have until 1961 to dispose of, but our highway program is proceeding so fast and we can build roads there so fast that by September of this year we will have committed all available funds for the present biennium in the State. But if we know that the Federal Government would make the money available to pay our contractors, then we could immediately commit all of the Federal moneys available within the year.

I think this is one of the problems which, if your staff will study it, it will find it one of the keys to the lag in the Interstate System. The obligation is on the Federal Government.

In the 1956 act you do have a so-called revolving fund in which we make available to the States advances. I believe that is \$200 million, Mr. Rothschild, is it not? The so-called revolving fund?

Mr. ROTHSCHILD. No limit.

Governor RIBICOFF. There may be no limit, but try to get it out of the Federal Government. They say they will allow you money to be used for engineering and land acquisition, but if on the land you acquire you do not build a road in 5 years, you cannot get the money. Technically they say there is no limit, but if you wish to write to the governors of your respective States, or the highway commissioners, and find out if they can get the money in advance, you will see that they cannot.

The Federal Government does not give it to you in advance. The Federal Government does not even make it available when you are ready to pay the bills. You are in a situation in Connecticut and in each one of the other 47 States of having to advance the State's money in order to build the roads, and then come back to the Federal Government with your hat in your hand and say, "Now pay us back the share we paid for you."

This becomes a great problem when you have a matching formula of 90-10, and you have a \$10 million project where your State has to put out \$10 million covering \$9 million of the Federal Government and \$1 million of its own.

Mr. SCHERER. On the Federal level we have problems, too, the other way around.

Governor RIBICOFF. Yes. I would say the States and the Federal Government have problems, but if the Federal Government says we want an Interstate System, and the Federal Government announced it as the national policy, then certainly the Federal Government, if it has this program to carry out, should put up its share equal with the States. The Federal Government, I contend, does not have any right to ask the States to act as banker for the Federal Government.

Mr. SCHERER. I was talking about the other way around. We were acting in most instances as bankers to the States.

Governor RIBICOFF. You are not in this instance.

Mr. SCHERER. This may be an unusual situation.

Mr. JONES. Are you fearful that the Federal Government will now default in its obligation to the States?

Governor RIBICOFF. It is not a default, but the problem of the States getting their money in advance to finance the Federal Government is the problem.

Mr. JONES. I understand, Governor, this is a program to aid the States and not a program to aid the Federal Government.

Governor RIBICOFF. No, it is both. This is an interstate system. The Federal Government for many, many years announced a policy of a national road program.

Mr. JONES. Is the legislation and the contracting and commitments on the Interstate System any different from that performed on the ABC road program?

Governor RIBICOFF. No, but you are certainly putting a burden on the States which is much larger.

Mr. JONES. You mean you are putting a burden on the States in regard to the interstate program when the Federal Government is furnishing 90 cents out of every dollar being expended on the Interstate System?

Governor RIBICOFF. I would say this, Congressman Jones: The Federal Government announced a policy. If it was against its policy they should not have announced it. But they have gone to the people of the United States and said, "We have this gigantic road program because we think it is good and the country needs it. In order to encourage the building of roads we are going to give you \$9 for every dollar you put up on the Interstate System."

You want to encourage the 48 States to build these roads, which is what you announced as your policy. Under these circumstances, the least you can do is when we are ready to put up our share, you put up your share. We are not asking you to advance the money ahead of time, but it should be made available at the same time a contract is let. In other words, the Comptroller of the State of Connecticut and the Comptroller of Alabama or Mississippi—

Mr. JONES. Governor Ribicoff, what is the usual time elapsing between the time of commitment and the due date of payment to the recipient whom you want to pay?

Governor RIBICOFF. You usually find it is anywhere between three months and a year, but you are in this situation: In the State of Connecticut, and I do not know what it is in the other States, we do not have—and I think it is sound financing—we do not have a right in the State of Connecticut to let out a contract unless we have the money available in the State treasury.

Mr. MCGREGOR. It is State law?

Governor RIBICOFF. That is right. It is a State law.

Mr. SCHERER. You can change that law, can you not?

Governor RIBICOFF. Yes. You can, but when you talk about sound financing, of course, you hope the States would handle their financing on a sound basis. Even if it were not the law the contractors come along and want to get paid. But this happens to be the law of the State and I imagine you will find it pretty much the law of every State. I don't think the State of Ohio, or the State of Maryland, can go out and spend money unless they have the money available, and it has been authorized and appropriated by your legislature. But

the difficulty is, you are now going to your legislature and asking them to authorize and appropriate not only their share of the money, but to authorize and appropriate the Federal Government's share of the money.

Mr. JONES. Let me go to the theme of your statement, as I understand it, Governor. I presume that what you want above all else is reimbursement?

Governor RIBICOFF. I do.

Mr. JONES. For 89.6 miles.

Governor RIBICOFF. That is right. This is what I am here for. Yes, sir. And I will be glad to answer any questions on that.

Mr. JONES. You state on page 2 that this 89.6 miles is the only mileage in question in the State of Connecticut on the Interstate System.

Governor RIBICOFF. The reimbursement for 89.6 miles. Yes.

Mr. JONES. That is all the mileage involved?

Governor RIBICOFF. That is right.

Mr. JONES. The cost of that 89.6 miles was \$354 million?

Governor RIBICOFF. That is right.

Mr. JONES. The interest cost will be \$372 million. Is that correct?

Governor RIBICOFF. That is right.

Mr. JONES. Would the State of Connecticut be willing to accept \$354 million, the cost of the project to the State of Connecticut, for the reasonable value of that interstate mileage, and be satisfied?

Governor RIBICOFF. Let me say this: Of course, as you know, a governor cannot make policy without the legislature but if you are asking my recommendation, and the question was asked of Senator Bush, I would say this: I would say a State has no right to have its cake and eat it too. My feeling is that to the extent we were reimbursed by the Federal Government, then those roads should be toll-free. I do not think we have a right to get money from the Federal Government and charge tolls. I think the gentleman from Florida made that point.

Mr. JONES. What would be the measurement of payment to the State of Connecticut?

Governor RIBICOFF. I would say that it would have to be what the State paid for it and what our reasonable interest charges were to the date when we paid off the bonds. There would be a little complication because some of the bonds are not callable for 5 years, or some of them for 10 years, but I think this could be worked out. I would say that the purpose of the Federal Interstate System was to have a free road system. In many of the States there are some 15 of them that found the only way they could build these superhighways was that they had to go to toll facilities. Should the Federal Government find that they will reimburse them for that, I would say that the States would be honor-bound and should be willing as a condition to reimbursement to open up these facilities as free.

Mr. JONES. Yes, but still the question of the interest rate comes up. How will we get rid of it?

Governor RIBICOFF. The interest, Congressman Jones, is interest figured over the life of 10 years. As you know, if you call the bonds and pay them off with the Federal reimbursement, the interest stops.

Mr. JONES. Are those bonds of the State of Connecticut callable?

Governor RIBICOFF. I would say some bonds in 5 years and some bonds 10 years, I would guess. I do not know. You would have to work it out. I am under no illusions that any bill you might pass would provide for the reimbursement as of this year.

Mr. JONES. Governor, it is a very practical question and one this committee has been working with over the years. This idea of going out and paying 300 or 400 percent for roads over and above their cost because we have to pay an enormous interest fee is not very appetizing to us who sit here on this committee. I for one am not willing to pay the bonds of the State of Oklahoma, or Alabama, or any other State, and give these enormous presents, in order to make freeways of them.

Governor RIBICOFF. But you are not, Congressman Jones, because once you pay the bond the interest stops.

Mr. JONES. But you do have to pay a premium on it if it is callable in 10 years. Certainly the bondholder will not surrender it without paying him something.

Governor RIBICOFF. Your problem here is to take the issue and first indicate what the conditions of your formula will be. In other words, if Congress would lay down a condition, this is what we are willing to do on reimbursement, then the question is, would the States of Ohio, Connecticut, and New Jersey, and so forth, be willing to do this much? That is a decision the States would have to make. If they were to get the reimbursement they would have to accept the conditions, and if they would accept the conditions they would get the reimbursement.

You cannot generalize. I understand the dilemma, Congressman Jones.

Mr. JONES. Governor, do you have any suggestions or formulas that can be applied universally to all of the States on the acquisition of these toll roads? As you know, we could not arrive at any formula that seemed equitable in the 1956 act. We worked very earnestly in trying to arrive at some kind of method that could be applied to take out these toll roads and make freeways of them, and place them on the Interstate System. But since we were unable to do it and you are here today to make the request they made in the other States in 1956, and probably you did too, I do not recall—

Governor RIBICOFF. I did too. I was here in 1956.

Mr. JONES. Still we are no further along with it. This morning you said to us that you want the Interstate System to take over the 89 miles in Connecticut and reimburse the State on an equitable basis. What would be an equitable basis to take care of the State of Connecticut?

Governor RIBICOFF. I would say an equitable basis would be the payment back of the actual cost of the road, and the amount of interest we have paid to the debt that you say we can get reimbursed. In other words, if you say, "We will reimburse you 3 years from now," then you pay the interest up to 3 years from now and the State would have the problem of making its deal with the bondholders.

Mr. JONES. But do you not think there would be some depreciation of the value of the property?

Governor RIBICOFF. No. I wouldn't say a depreciation. I would say an accretion. From my experience on the roads in Connecticut I feel they cost more and more all the time. It will cost you a lot more 3 years from now than it would to build it at the present time.

Mr. JONES. In other words, you think the reasonable value is the proper way to go about the valuation?

Governor RIBICOFF. Yes. The value at the time of taking over, to be arrived at on a formula adopted by the Federal Bureau of Public Roads and the State. This would not be a problem. I know we have kept the high-cost toll roads up in tiptop shape, so I believe the Federal Government would not have a depreciation, but basically would be getting a bargain.

Mr. JONES. In the State of New York we have some 600 miles of very excellent toll roads that we would have to treat similarly to the 89 miles in the State of Connecticut.

Governor RIBICOFF. Yes, sir.

Mr. JONES. To do that automatically with one agreement would mean you would have payments in the amount of hundreds of millions of dollars going into the State of New York at one time. How would you suggest a formula for making apportionments to the States that would not disturb the formula of apportionment to all of the 48 States?

Governor RIBICOFF. I would say that the fairest way to handle that would be to tote up the amount of roads by dollars that you would be required to reimburse, and once you have determined that—I recognize you cannot do it in 1 year because you do not have the money, so if you determine it should be a 3- or 4- or 5-year program, then pay it back to the States in proportionate amounts as their portion of the total, in the percentage it bears to the entire amount.

Mr. JONES. If that were done, Governor, it would mean that the State of Connecticut would not be in the way of getting other interstate road system work if they have any more mileage credited to the State of Connecticut until the debts of the toll road were retired to the full.

Governor RIBICOFF. I would go along with Congressman Scherer's bill. I would say as far as I am concerned, personally—and I cannot talk for myself because the legislature is the factor that must always be considered—I would say that this money you could condition to be used for roads in the State.

Let me say that it is not basically a windfall. I could say that the State of Connecticut today could expend the entire program up to its top base, \$1,300 million. It is very obvious that amount would take a long time to spend, and a long time to disburse. Whatever credit we received from the Federal Government, I would be willing to say that should be conditioned to be used on other roads in the State. I think this is so because we need roads and since the money is being given for roads and the entire philosophy deals with roads, I would condition the expenditure of that money for roads.

I think under these circumstances the Federal Government would feel the money was being used for roads and for the basic purposes of the act.

Mr. JONES. My final question is this—I do not want to take up too much time of the committee. Would you be willing to free the toll roads in the State of Connecticut on the assurance that you would be given an equal mileage in your State on some other designated highways other than the toll roads?

Governor RIBICOFF. I would say provided that the money we are getting for the regular road system and that we would expend in a

road program within the State's finances, would allow us to pay off the toll roads. In other words, if you were to say, "We are going to give you \$50 million a year reimbursement," and we took this \$50 million and spent it on other roads, we could work out some formula that way.

Mr. JONES. I am not making that suggestion.

Governor RIBICOFF. You asked me how I would do it. This is how I would do it.

Mr. JONES. We will give you 89 additional miles of interstate roads in the State of Connecticut if you will free the Connecticut Turnpike.

Governor RIBICOFF. The reason why I cannot do that is this: This 89 miles is about as expensive a road as you could possibly find any place in the United States. It went through some of the most expensive property. We had to bridge harbors and rivers. It is very expensive. So you cannot give us 89 miles in flat country, or through backwoods and say, "We will give you this 89 miles and you free these 89 miles." Financially, we could not do it, and I would be insane to sit here and say we could because it could not be done. But if the formula were worked out so that the money you reimburse us would be used on the \$1,390 million worth of roads we need, then we could work it out on that basis, but we cannot take any 89 miles, because this happens to be a very expensive 89 miles.

Mr. EDMONDSON. I want to ask the gentleman one question: I am certainly in sympathy with your plea for reimbursement of some kind. If reimbursement in cash cannot be found and the till does not have the cash in it, would not your State be better off with these other States on these turnpike mileages to take that out of the Interstate System and get that mileage for interstate road construction elsewhere in those States?

Governor RIBICOFF. Yes. Let me put it this way: Anything we can get more than what we have now would be welcome. Right now we do not have anything. If you come and give us a proposition that can give us something we do not have now, I would say "Certainly."

Mr. JONES. Mr. Chairman, that is all I have. Thank you very much, and thank you, Governor.

Mr. MCGREGOR. I have two approaches. First I would like to inquire: Has the Federal Government come into your State and taken any mileage and put it into your State without your request that they do so?

Governor RIBICOFF. To my knowledge, no. I would say our relations with the Federal Bureau of Public Roads are excellent. I find them very cooperative. They never act highhanded.

Mr. MCGREGOR. Then in other words some of the arguments you are putting up here, I think, Governor, fall right on your State legislature. You have made the statement, or I interpret it to be such, that you are asking us to change the existing Federal law, so that you can have money at the time you write the contract. Why can you not do it now? Is it not because of your own State law that you cannot borrow on this anticipated revenue? There is nothing in the Federal law that prevents you from doing it.

Governor RIBICOFF. No, but even if the legislature gave us that law, and I hope it is the least they give us in the special session, we still do not get money from the Federal Government.

Mr. MCGREGOR. You have been drawing on the anticipated revenue from the Federal Government.

Governor RIBICOFF. You mean borrowing from the Federal Government?

Mr. MCGREGOR. That is right. You can borrow on anticipated revenue if you pay it back within a year under the existing Federal law.

Governor RIBICOFF. This I am not aware of. If it is there are a lot of smart fellows in the State of Connecticut who have been there for 20 years or more who have not found it out yet.

Mr. MCGREGOR. Then why do you not change your State law? You have prohibitive law in the State of Connecticut that you cannot borrow on anticipated revenues.

Governor RIBICOFF. We have the right to borrow on anticipated revenue, but we have to have the authorization and an appropriation from the legislature for any expenditures.

Mr. MCGREGOR. We can borrow in Ohio because we have a law that permits us, in Ohio.

Governor RIBICOFF. That is right.

Mr. MCGREGOR. I contend you can do the same thing in Connecticut if you have other laws to do it.

Governor RIBICOFF. That is right.

Mr. MCGREGOR. So do not blame it on the Government.

Governor RIBICOFF. No, Congressman McGregor. My answer is this: Why should the State of Connecticut or the State of Ohio have to pay interest when Congress puts down as a philosophy that they are going to contribute to the States? Why is there not a real contribution? Why should the States still have to finance it?

Mr. MCGREGOR. Don't you think 90 cents out of every dollar is a pretty good-sized contribution?

Governor RIBICOFF. Yes, it is, but keep this in mind: This is for the roads in the Interstate System. The Federal Government is interested in the partnership too.

Mr. MCGREGOR. But you asked for those roads to be put on the Interstate System, did you not?

Governor RIBICOFF. That is right.

Mr. MCGREGOR. Can you name any single mile in Connecticut you have not asked to be put on the Interstate System?

Governor RIBICOFF. They will not shove any interstate roads down your throat, but they should not be Indian givers. If they are going to give us money they should give it to us when we are entitled to it.

Mr. MCGREGOR. I recall, Governor, when you used to serve in the Congress and you were just as protective about Federal funds as you are now about State funds.

Governor RIBICOFF. Although I would say this: If I were in Congress today I would certainly make sure if the Federal Government agreed to give me \$9 for every \$1 I had put up, that that \$9 should be available payment for payment when my \$1 was put up.

If this is a bargain, it ought to be a fair bargain.

Mr. MCGREGOR. There is not a State in this Union that is not better fixed financially than the Federal Government.

Governor RIBICOFF. I do not know about that. I would say the Federal Government has a pretty good credit, and the Federal Government still has a great reservoir of tax collections—much greater

than the States do, No. 1. No. 2 the Federal Government can always borrow money—not always, but generally—at a cheaper rate than the States borrow money, just as the States usually borrow at a cheaper rate than towns and cities in our States borrow money.

I think the Federal Government should not make the State borrow the Federal Government's share of the money.

Mr. CRAMER. Mr. Chairman.

Mr. FALLON. Mr. Cramer.

Mr. CRAMER. Governor, I was a little disturbed by your statement that the Federal Government is pulling a fast one, because the Federal Government is putting up 90 percent of the money on this Interstate System and the Bureau of Public Roads is using the same procedure that has been used for years on the primary, secondary, rural, and urban systems. Is that not true?

Governor RIBICOFF. Yes, but the difference is this: Prior to this you were dealing with relatively small sums of money in the past. Now you have come in on the Interstate System with large sums. So it is no longer a question of having 2, 3, 4, or 5 million dollars available, but it is a question of having to match substantial sums of money.

Now it depends on the size of the States, but there are very few States that can keep up with the requirements of the Federal loan system.

Mr. Mack suggested that he was concerned by this slow rate of progress being made by the Interstate System. One of the reasons why there is such a slow rate of progress is that the 48 States have this financial problem. That is why it is going slow. If it is your feeling that you must proceed fast with roads and if it is the philosophy of Congress—and I do not know whether it is—that you are interested in an accelerated public-works program, and especially in the field of roads, then under these circumstances if you set aside the money for roads but do not make the money available, you are still going to see a definite lag among the 48 States.

You either want the roads or you do not want them.

Mr. CRAMER. There is another reason it lags. In the State of Florida, for instance, our State Road Department made a decision to start construction in the urban areas rather than rural areas, meaning it takes much longer to plan and get the right-of-way and everything else.

Governor RIBICOFF. That is right.

Mr. CRAMER. So our system is held up because that is apparently the way the department planned it, but we have no problem of matching money or spending the money so far as the Federal funds being made available when due under any contract is concerned.

Governor RIBICOFF. You know Florida and I do not, but you know if the 90 percent were made available to the Highway Department of Florida you would find they would move much faster.

Mr. CRAMER. So far as I know, the money is made available to Florida. What percentage of money in Connecticut is being used?

Governor RIBICOFF. I would say we have available now, that has not been used, about \$53 million.

Mr. CRAMER. What percentage is that of the money that has been available for the last 2 years?

Governor RIBICOFF. I do not have that percentage. All I know is it has a \$53 million credit to 1961. How much we used on Federal

expenditures in the last 2 years I do not have, unless Mr. Rothschild has it.

Mr. CRAMER. It is a substantial amount of money. The \$53 million, I mean.

Governor RIBICOFF. It is a lot of money.

Mr. CRAMER. Do you not think if you could call a special session of the legislature to deal with unemployment that that is one of the matters to consider, that is, how to make the 10-percent matching money available, although I can't understand why that amount hasn't been provided for already?

Governor RIBICOFF. I have asked the Connecticut General Assembly, I will say frankly, to authorize the borrowing of the full amount. Let me put it this way: Personally, if it is the only way we can get it, I am for borrowing it, because I still believe it is more important to get the roads and have good roads and transportation and also have unemployment—it is much more important to have than the interest we would have to pay. As far as I am concerned, there is specific legislation that I have to ask the legislature to authorize the State to borrow in anticipation of the Federal program.

If this is all we could have, that is fine; but I would like very much not to have to borrow it if it could be worked out. But if it could not be worked out, I would rather borrow it.

Mr. MACK. Governor, the States of California, Illinois, Ohio, and Maryland have used over 90 percent of all the money allocated to their States for the Interstate System. Your State has used about 50 percent. New Jersey has used about 17 percent. West Virginia and Indiana have used practically nothing.

Why is it that 1 group of States, about 16 of them, are not using this money to the extent California, Ohio, Illinois, and Maryland are using the money?

Governor RIBICOFF. Let me put it this way: I do not know what the situation is in the States you have mentioned, but my feeling is you will find that the basic roads needed in the States you mentioned are roads that are on the Federal system. I brought along a breakdown of what our highway fund is used for so that you can readily see where our highway money goes.

You take the administration of the highway department, over \$3 million; highway and bridge maintenance, \$14 million; protection from and removal of snow and ice, \$7 million.

This is what we have to use highway money for.

Roadside maintenance, \$3 million; construction of highways, bridges, and acquisitions of land, \$73 million.

Town aid—out of the money we get we have to give \$21 million to the 169 towns to help them pay for their local town needs.

So our problem is the money we get in we have to allocate for many needs. Therefore, we cannot take this \$148 million that we have for the payments for roads and put it in the Federal system because we have prior obligations for other road needs.

It may very well be if you would examine proportionately California and Ohio their allocations in proportion are not as large as Connecticut's basic needs.

Mr. MCGREGOR. Do you have diversion of highway funds for other than highway use?

Governor RIBICOFF. Not at all. This is what happens to our highway funds. The motor-vehicle department operation comes out of highway funds, but the license fees and automobile registrations go into it.

The State police—about 50 percent of their cost comes out of it, but most of their work is on highway patrol. The rest of the money we have in the highway fund comes from the 6 cents a gallon gas tax and registration and license fees which all go into the highway fund; but we do not use the money for anything else. We have frozen it and never diverted.

Mr. SCHERER. But where could you get a better return on the money than to invest it in the Interstate System? You get \$9 for \$1.

Governor RIBICOFF. I agree with you. I would like Congress to do it. If Congress does not do it I am still for the Connecticut Legislature authorizing us to borrow the money. But it is still my feeling, if you have a deal with the States you ought to put up when we put up.

Mr. CRAMER. I have just a couple of other questions. When we had this bill up in the first instance practically every State, or some representative of the State, testified in favor of the legislation and said they could match this money. It was our understanding that the State legislatures, or the State governors were going to go ahead with the program to make that money available under the circumstances then in existence.

Do you not think it is the responsibility of the States to do that?

Governor RIBICOFF. I would say this: I would say that the States can match the 10 percent. I doubt whether many Governors at the time, or whether this committee realized the extent of the burden it would be on the State also to make arrangements to finance in advance the Federal share. When they came up to face the reality of this problem, I think that is what slowed the thing down.

They suddenly found they could not maintain their basic State needs and at the same time take care of the Federal needs. You say to me it is a good deal and I say it is definitely a good deal. In other words, the program of \$345 million I presented to the legislature with an eventual \$293 million coming back to the State of Connecticut, let me say to the committee, is an excellent deal, I think.

If the only way we can use it is by going out and borrowing \$345 million and paying interest it is still a good deal for the State of Connecticut. Do not get me wrong. It is still a good deal. And I am for it and for borrowing the money and paying interest, if that is the only way we can get it. But I would hope you would make your money available so we did not have to borrow it.

If you do not make it available it is still a good deal, Mr. Cramer, to go out and borrow the money and pay interest on \$293 million out of this total of \$345 million.

Mr. CRAMER. In regard to your position on the Bush and the May bills, I understand you are in favor of those bills except you feel that the interstate toll facility should be made free.

Governor RIBICOFF. I would say if the Federal Government would reimburse the States for their expenditures it would be fair for the Federal Government to put on a condition to the extent that the toll roads which are reimbursed for, the States should make toll free.

Mr. CRAMER. To that extent you favor those bills?

Governor RIBICOFF. Yes, sir.

Mr. EDMONDSON. That is, in cash.

Governor RIBICOFF. I would say in cash, or a method of financing so we would be in a position to phase them both out at the same time.

Mr. SCUDDER. Would you be willing for the State highways that have been completed be given the same treatment as the toll roads, reimbursing the States of funds spent to be expended on other highways in the State?

Governor RIBICOFF. That they had already expended?

Mr. SCUDDER. Highways already completed to Federal standards. Such as we have constructed in California.

Governor RIBICOFF. Yes.

Mr. SCUDDER. We have a very small lag of \$23 million in the entire program for this year. When this legislation was first discussed it was the consensus of opinion that highways that were completed to Federal specifications by States would be given the same treatment as the toll roads that have been completed.

Governor RIBICOFF. That is right, Congressman Scudder.

Mr. SCUDDER. You subscribe to that?

Governor RIBICOFF. I would certainly subscribe 100 percent to this proposal.

Mr. FALLON. Are there any other questions?

Mr. SMITH. Governor, I go back to this essential point of the purpose of the hearing in respect to the reimbursement. I think you have made the fairest presentation of those who seek to bring about reimbursement. I do not believe there is any possibility, or that there would be any fairness in reimbursement if tolls were continued. I think the people who ask for reimbursement and the States who ask for it have to accept the fact that if there is any practical hope of getting any reimbursement they have to agree to provide for the elimination of tolls. Or else, if we do not have that, and if Congress is going to allow tolls to continue, we were wrong in not allowing tolls to be imposed as a means of building the Interstate System.

I think the main problem remaining is for the Congress to agree on some formula for fair valuation of the roads for which we would be reimbursing the States on. If we can work out something along that line I think we can achieve something on this end.

I wanted to ask you as a representative of the State that has an important stake in this if you think of what the fairest way to reimburse you is, or if you have given any consideration to it from that standpoint or how the adjusted amount could be worked out?

Governor RIBICOFF. As you were talking a thought came to my mind, Congressman Smith. The governors' conference will be held this May in Florida. It would seem to me that it would be a fitting subject for a special committee of the governors, to carry out the consideration of a method of reimbursement to discuss with Congress.

I have been asked to chair one of the special subcommittees at the next governors' conference; one of those subcommittees on highways and highway safety. I do not know whether this is the forum which will be assigned to me, but I would say this is so important to the States that if there was an inclination on this committee's part to consider it and work out a fair formula it would be my proposal to the governors' conference this May that a special committee be set up by the governors' conference to go into it, because I think this

came about originally with a meeting of the governors to have some Federal-State cooperation, and maybe the governors could work it out with the congressional authorities to try to find a fair formula on the Federal and State level. Does this make any sense to you?

If it does, I will propose it at the next governors' conference.

Mr. SMITH. I think that is a very good idea, Governor. However, I hope if you do take it up at the governors' conference you will consider the problem with more intelligence and more realism than the last operation the governors' conference conducted in respect to the aid program involving things like pollution control. That agreement that was worked out between the governors and Secretary Anderson is the most ridiculous thing. It will not even get 10 minutes discussion in the Congress.

Governor RIBICOFF. I regret I am not even aware of this particular project.

Mr. SMITH. That was an agreement whereby States agreed to give up all sorts of taxes in return for the Federal Government giving up these taxes.

Governor RIBICOFF. There is no agreement on that.

Mr. SMITH. The telephone tax and others.

Governor RIBICOFF. This is the last conference which has a special committee working on Federal and State relationships. To my knowledge a report on that will be made to the same governors' conference in May. There was no decision. It was just a committee.

Mr. SMITH. You might advise your fellow governors they have wasted a lot of time in that respect.

Mr. JONES. Will the gentleman yield? Off the record.

(Discussion off the record.)

Mr. JONES. I will agree with Mr. Smith in commending you on bringing to us some concrete proposals as to how we can make some progress in recovering lost mileage for those States that lost mileage by virtue of their toll roads being on the Interstate System. I am sure that all of us want an equitable program for the States. You have given us something that will certainly be helpful to us.

Governor RIBICOFF. Let me say this to the committee. Believe me, having been a legislator and a Member of Congress and a working governor I am well aware of your problem. I am well aware you are definitely in the gray area. There is no black or white solution to the problem you have here. It is most complicated and I am most sympathetic with what you have to wrestle with.

There is definitely a conflict of interest between the various States and I can understand the varied philosophies expressed, but from my experience I have always found that basically Congress is interested in doing the fair thing. These problems must be brought forth and argued and debated. They must be considered in committee.

Frankly I want to commend the committee for going as thoroughly as you have into this problem. I can understand the reservations many of you Members have, but it would seem to me this is definitely a field that cannot be handled individually by the individual governors. But so many States are involved and it is important enough so that it should be looked into by all of the governors. It is my hope we can get a solid committee study going at the next governors' conference and come back to you in 1959—it may be another governor than myself—to discuss this problem with you.

As long as we have your continued sympathy and interest in trying to do something I think we can gradually get your approach and get your thinking and also the States' thinking on this.

Mr. FALLON. The Chair would like to make the announcement that we have permission from the Speaker to meet this afternoon during general debate. There will be a continuation of the hearing when we adjourn to come back at 2 o'clock. Are there any other questions of the Governor?

Mr. SCHERER. Just one question. Governor, do you feel that the solution to this problem of reimbursement lies in the increase of mileage of the Interstate System in the respective States, as proposed in the Buckley bill? Do you favor that provision?

Governor RIBICOFF. The Buckley bill worries me. Frankly I prefer the philosophy first of the Bush bill. Secondly, I prefer the philosophy of yours, and the Buckley bill would be third. I would say that the problem in the Buckley bill would be, or it might be the answer for the large States like New York, but it might not necessarily be the answer for the smaller States like Connecticut.

But your bill, with its flexibility and the use of these credits for different parts of the Federal road system, and a different method of payment instead of 50-50 and 90-10, I think would be more helpful to the State of Connecticut than the Buckley bill.

Mr. SCHERER. Don't you see a lot of dangers inherent in increasing the mileage on the Interstate System at this time?

Governor RIBICOFF. Dangers? No. I do not follow you.

Mr. SCHERER. The whole program. There is some thought in the Senate now to increase the mileage on the Interstate System by 7,000 miles. You are aware of that?

Governor RIBICOFF. No. I am not aware of the increase in mileage but I would say I am aware of the Gore bill to try to accelerate the entire Federal program, which I am for. I am for the acceleration of the entire program and I would be frank with you, I have not looked into whether this increase of 7,000 miles would be good or bad. I am not informed on it.

Mr. SCHERER. Do you think we should build the 41,000 miles already designated before we start building additional mileage on the Interstate System?

Governor RIBICOFF. If you are wondering about where the money is coming from for the 41,000 miles you will certainly be double wondering about 48,000 and I would attend to that first.

Mr. SCHERER. Have we not demonstrated by the evidence that the primary need for relief of traffic is on the 41,000 miles already designated?

Governor RIBICOFF. That is right. However, it should be kept in mind this country is growing at such a fantastically rapid rate in population that what we consider adequate today will be inadequate 5 or 10 years from today. So it is difficult to say 41,000 is adequate and 48,000 is not adequate. In my opinion 48,000 miles will be inadequate in 10 years because we are bursting at our seams and will continue in our growth in America.

Mr. SCHERER. There is no question of later on, but I am saying we should meet the primary need and take care of the 41,000 miles now and not get into a political allocation of an additional 7,000 miles where the primary need does not exist.

Governor RIBICOFF. I would say there would be no greater disservice that could be made to the entire road program than to allocate the entire 7,000 miles on a political basis. It would be disastrous to the country.

Mr. BROWN. You are a most eloquent pleader for reimbursement in the State of Connecticut. You faced reimbursement problems before at the State level, no doubt. When a road district, or a county, bonds itself and builds a bridge, and then years later the State of Connecticut includes that bridge on a State highway, do you reimburse the county or the road district for its bridge, or how do you handle it?

Governor RIBICOFF. Let me put it this way: In the county we do not have any road districts or county roads. We have towns. The State of Connecticut is overly generous with its towns. The legislature is controlled by the small towns, and year in and year out they come to the legislature and they do a pretty good job of getting more and more out of the State for the towns.

So, when it comes to the question of fairness, I say every independent study made of the road system indicates that the towns of the State of Connecticut do very well from the State. The State does very well by them and we do not have the problem that you have.

What we do have in the State of Connecticut which develops into a great burden is that each session the legislature, by a typical log-rolling process, has more and more town roads placed in the State system, which causes the State to take over the maintenance and rebuilding of those roads, which is a burden to the State.

Mr. BROWN. But do you reimburse them?

Governor RIBICOFF. They do not want any reimbursement. They are very happy in having what is basically a town project taken over by a State for the future. Hardly a legislative session goes by that the towns do not grab a bigger piece of the State road money.

Mr. FALLON. I want to ask you one further question, Governor. When we considered and passed this bill in 1956, we called it the Interstate and Defense Highway System. The Congress spelled out in the law that the ABC roads would get so much money out of the trust fund that was set up, and the balance of it would go to the completion of the Interstate System. The amounts as expressed in the bill were that the ABC roads at that time would get \$875 million and it would increase \$25 million a year until it reached \$1 billion. The balance of the fund would be spent on the Interstate System. If we give credit to States that have toll roads, so that the money can be spent on the primary and secondary roads, would we not be breaking faith with the people who accepted this legislation back in 1956?

Governor RIBICOFF. No, Congressman Fallon. Your 1956 bill, if my memory serves me right, also had a provision recognizing a basic problem of reimbursement to those States that built toll roads, and there was a contemplation that this would be a matter for study and future consideration.

Mr. FALLON. I agree with you, Governor, up to that point, but I am talking about diversion of funds from the interstate to the primary and secondary roads. Do you not think that we would be breaking faith with the people who accepted that legislation?

Mr. SCHERER. No. Can I answer?

Mr. FALLON. Yes.

Mr. SCHERER. Because when we built the 240 miles of toll roads in Ohio we relieved the Interstate System of building 240 miles that was originally contemplated to be built in Ohio and which would otherwise have been built. Does that not answer the question?

Mr. FALLON. No, it does not. We were going to complete the 40,000 miles with the money which was left in the trust fund after the ABC money was taken out, and it was specified as to just exactly how much money the ABC would get out of this trust fund. If you use the money for your Interstate System in your reimbursement plan I would say you are not breaking faith, but if you divert it to the other systems I say you are breaking faith.

Mr. SCHERER. Mr. Chairman, when you built the toll roads you took 240 miles off of that road system.

Mr. MCGREGOR. When the people in Ohio voted the bonds for that 240-mile toll road they never expected to get \$1 from the Federal Government to pay for those bonds.

Mr. BROWN. Will the gentleman yield?

Mr. FALLON. Yes.

Mr. BROWN. On that same principle, when the State of Missouri acquired the right-of-way and built a very good Highway 66 from St. Louis clear across the State, which is now being used as 1 side of a 4-lane divided interstate highway, that was also a contribution thrown into the kitty by the State of Missouri for that much of the Interstate System, for which Missouri has not asked for reimbursement.

Governor RIBICOFF. Do you want the answer to your question?

Mr. FALLON. Yes.

Governor RIBICOFF. I would say this: Your question assumes that there is something frozen about the legislative process. I would say if there is anything that is fluid in the American system of government it is that change that takes place in the legislative process from session to session depending upon the changing needs of the people of the country.

Mr. FALLON. I agree with you, but a commitment has to be taken into consideration when you are making the change.

Governor RIBICOFF. That is right, but when conditions arise that call for a change, it would be a Congress that had abdicated its responsibility, that did not vote the change. I know that all of us who are part of the legislative process recognize a constant flux and fluidity of the legislative process, and this is what makes it so successful, and our Government so successful.

Mr. FALLON. I might say in consideration of the legislation, at no time have I ever suggested, nor was it in anybody's mind, that there would be diverted from the Interstate System funds for use on the other systems. Many things were suggested in and out of committee in regard to reimbursement features, but never was it ever considered it would be diverted to another system.

Governor RIBICOFF. As far as I am concerned, if it were conditioned that this money could only be used on the Interstate System, that is fine, because we still have plenty of Interstate System to build in the State of Connecticut. I could say we could well use every dime of this money which would be reimbursed for expenditures on the Con-

necticut Expressway, for much needed road building programs in the State of Connecticut. We would not have to divert 1 dime of it.

Therefore, if you condition this reimbursement that it should go solely on the Interstate System we would spend it solely in the Interstate System.

Mr. FALLON. Thank you, Governor. On behalf of the committee I want to tell you how much we appreciate your intelligent statement and the very fine manner in which you handled the interrogation.

Governor RIBICOFF. Thank you. It is a pleasure to be here.

Mr. FALLON. Thank you again, Governor.

Governor RIBICOFF. I am delighted to be here.

Mr. FALLON. Before we adjourn I have a telegram here from Gov. Harold W. Handley, Indiana. If there is no objection I will insert it at this point in the record.

(The telegram referred to is as follows:)

INDIANAPOLIS, IND., March 24, 1958.

HON. CHARLES A. BUCKLEY,

*Chairman, Committee on Public Works,
House of Representatives, Washington, D. C.:*

Forced to enter hospital today. Sorry I cannot attend your hearings tomorrow on various bills to amend 1956 Highway Act. Am interested in legislation which would compensate toll road States for taking initiative in building part of Interstate System without Federal support.

Gov. HAROLD W. HANDLEY.

Mr. FALLON. Also I have a letter from Mr. Horace Seely-Brown, Jr., one of our distinguished Members of Congress, who desires his statement be put into the record at this point. If there is no objection it is so ordered.

(The statement referred to is as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 24, 1958.

HON. CHARLES A. BUCKLEY,

*Chairman, Committee on Public Works,
House of Representatives, Washington, D. C.*

DEAR COLLEAGUE: Please permit me to express my proper interest in the various proposals presently before your committee regarding highway construction.

As I recall, when the Federal Aid Highway Act of 1956 was under consideration in the 84th Congress, there were two basic principles of particular concern to both of us. We were in agreement, first that the apportionment of the Federal Government's 90-percent share of the expense of completing the Interstate System be made on the basis of construction costs, and, second, that the States which, prior to the effective date of the 1956 act, had built or were building highways to the required standards of the Interstate System be equitably reimbursed. While Congress at that time acted on the first principle, it postponed making any decision on the second.

It is my firm belief that now is the time for Congress to make that determination. I am sure that you and I are in agreement that fairness and justice require that reimbursement be granted. It is my further opinion that we must treat fairly those States such as yours and mine which had the wisdom and courage to proceed to finance by their own methods the construction of urgently needed highways prior to the enactment of the 1956 act. Unless we enact legislation for reimbursement during the present session, I believe we will be imposing severe penalties against the very States which have made the most progress in modernizing the Interstate System within their borders.

You may be sure of my desire to support the committee in whatever proper action may be forthcoming on this most important matter.

With all good wishes,
Very sincerely,

HORACE SEELY-BROWN, JR.,
Member of Congress from the Second Connecticut District.

Mr. FALLON. Mr. Rothschild, I do not know how the committee members feel about lunch, but would you come back at 2 o'clock?

Mr. ROTHSCHILD. Yes.

Mr. FALLON. The committee stands adjourned.

(Whereupon, at 12:20 p. m., the committee recessed until 2 p. m. of the same day.)

AFTERNOON SESSION

2:15 p. m.

Mr. FALLON. Our first witness this afternoon needs no introduction to this committee. He is one of the more distinguished members of the administration, the Under Secretary for Transportation under the Secretary of Commerce.

Mr. Rothschild, without further delay I think we had better go ahead with your testimony. I hope you are ready.

Mr. ROTHSCHILD. Ready, Mr. Chairman.

Mr. FALLON. I hope your answers will be suitable.

Mr. ROTHSCHILD. Yes, sir.

STATEMENT OF LOUIS S. ROTHSCHILD, UNDER SECRETARY FOR TRANSPORTATION, DEPARTMENT OF COMMERCE; ACCOMPANIED BY FRANK TURNER, DEPUTY COMMISSIONER, BUREAU OF PUBLIC ROADS

Mr. FALLON. You may proceed, sir.

Mr. ROTHSCHILD. Mr. Chairman, our statement is directed towards the bills which we were asked to report on, but if any of the members have questions on any of the others or any of the matters which were brought up either in Senator Bush's testimony or Governor Ribicoff's, we would be glad to try to answer any questions.

May I read my statement?

Mr. FALLON. Please proceed, Mr. Rothschild.

Mr. ROTHSCHILD. Mr. Chairman and members of the committee, I appreciate this opportunity to present the views of the Department with respect to H. R. 10422, H. R. 10921, and several similar bills.

H. R. 10422 and several other bills would amend the Federal-Aid Highway Act of 1956 so as to provide that where a toll road, bridge, or tunnel in a State is approved by the Secretary of Commerce as a part of the Interstate System under section 113 (a) of the act prior to June 30, 1958, the Secretary must, upon application by the State, designate other routes within the State as part of the Interstate System which are equal in mileage to the length of such toll roads, bridges, and tunnels.

These bills also would amend the Federal-Aid Highway Act of 1944 so as to provide that the total mileage of the routes so designated would be included as part of the mileage authorized to be designated for the Interstate System, and the cost of completing such mileage would be included in the estimates of cost for completing such system.

H. R. 10921 would amend the Federal-Aid Highway Act of 1956 so as to provide that States having toll roads, bridges, or tunnels approved by the Secretary of Commerce as a part of the Interstate System prior to June 30, 1958, may designate from highways on the Federal-Aid primary highway system, other than the Interstate

System, highways which do not exceed in length the number of miles of such toll roads, bridges, and tunnels, and the Federal share payable on account of such highways would be increased to 90 percent of the total cost thereof.

The Department is opposed to the enactment of any of these bills.

The vastly accelerated highway program, which has early completion of the Interstate System as a primary objective, has been in progress for only 21 months. Our comparatively limited experience in the prosecution of this program is not sufficient to justify an immediate decision on the important and far-reaching problem of whether or not the Federal Government should reimburse the States for highways such as those with which these bills are concerned.

Current estimates of the cost of completing the Interstate System indicate that the receipts of the Highway Trust Fund under existing law will be insufficient to complete the system as now authorized to be designated within the period of time originally contemplated. Furthermore, legislation now pending in Congress would, if enacted, greatly increase the amounts to be expended for highway purposes, without providing for additional revenues for the Highway Trust Fund. Amounts authorized for the Interstate System for fiscal years 1959, 1960, and 1961 would be increased by \$800 million. Also, an appropriation of an additional \$400 million for fiscal year 1959 would be authorized for the Federal-aid primary and secondary highway systems, including extensions thereof in urban areas, and an additional \$115 million would be authorized to be appropriated for use as advances to assist the States in meeting Federal-aid matching requirements.

It is our opinion that a decision concerning this matter should be deferred until the construction of the Interstate System presently authorized has advanced to the stage at which a more reliable assessment can be made of the need, if any, of increasing the mileage of the Interstate System, the ability of the national economy to carry the burden of increased expenditures for highway purposes, and the impact of the completion of the Interstate System upon the national economy.

Until a complete and reliable analysis of these problems can be made upon the basis of adequate information, data and experience, we believe that our efforts and resources should be devoted to the completion of the Interstate System as now authorized by law. Much thought, study, consultation, and consideration have been devoted to the selection of a network of highways which is a true National System of Interstate and Defense Highways, and that system should be completed before Federal-aid highway funds are expended as contemplated in these bills.

In addition to believing that these bills are premature, the Department considers them objectionable in several respects.

In section 114 of the Federal-Aid Highway Act of 1956, the Congress declared its intent and policy—

to determine whether or not the Federal Government should equitably reimburse any State for a portion of a highway which is on the Interstate System, whether toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957.

H. R. 10422, H. R. 10921, and the other bills relate only to toll facilities, without regard to the limiting dates set forth in section 114 of the 1956 act and without regard to the facts developed in the study

conducted by the Secretary of Commerce in cooperation with the State highway departments pursuant to that section.

The bills also fail to give recognition to the considerations leading to the establishment of the National System of Interstate and Defense Highways.

The Interstate System is required by law to be—

so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense, and to connect at suitable border points with routes of continental importance in the Dominion of Canada and the Republic of Mexico.

In view of the national significance of the Interstate System and because of its primary importance to the national defense, in 1956 the Federal share of the cost of the construction of that system was increased to 90 percent while the Federal share of the cost of constructing other highways on the Federal-aid systems remained unchanged.

H. R. 10422 and H. R. 10921 would increase the Federal share of the cost of constructing some highways, in a limited number of States, to 90 percent, irrespective of whether those highways are—

so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers, to serve the national defense * * *

Under H. R. 10921, the States themselves would designate the mileage of highways for the cost of construction of which the Federal share would be increased to 90 percent. The approval of the Secretary of Commerce would not be required, and presumably the State could designate highways of primary importance to only a limited area within a single State.

It should also be borne in mind that mileage is not the only controlling factor in the cost of highway construction. Right-of-way and construction costs vary widely, depending upon topography and whether the highway is in urban or rural areas. It is entirely possible that the cost of constructing the additional highway mileage provided for in these bills could vastly exceed the cost of constructing the toll facilities which have been approved as a part of the Interstate System.

For these reasons, the Department strongly urges that favorable consideration not be given to H. R. 10422, H. R. 10921, or similar bills.

Mr. FALLON. In other words, Mr. Rothschild, you do not recommend the favorable enactment of any bills at this time?

Mr. ROTHSCHILD. Not any bills having to do with reimbursement, Mr. Chairman.

Mr. FALLON. Mr. Rothschild, let me ask you this: If the Congress were to approve any of these bills, would it retard the building and completion of the Interstate System?

Mr. ROTHSCHILD. Well, it would depend on what the bills provided, Mr. Chairman.

Mr. FALLON. I am talking about the bill before you right now.

Mr. ROTHSCHILD. If the bill were to provide that these additions were to be built simultaneously with the 41,000 miles already designated, then the completion of the 41,000 miles would be severely retarded.

Mr. FALLON. Severely retarded?

Mr. ROTHSCHILD. Yes, sir. If no additional ones were made available to the trust fund, that would also serve to retard the program.

MR. FALLON. Mr. Rothschild, I asked Governor Ribicoff this morning if he did not think we were not keeping faith with the people who favored the legislation that we passed in 1956 if we would divert money from the Interstate System to the other categories. Do you not think that we would be breaking faith, and, in addition to that, retarding the building of a national defense system?

MR. ROTHSCHILD. Well, I think the Congress and the executive branch made it pretty clear to the people, Mr. Chairman, in the hearings on the 1956 bill, that they were intending to do certain things, and one of those things was that they were going to complete a total integrated system as then designated prior to the taking on of any other enterprise whatsoever.

MR. FALLON. Just one more question: We also considered—and maybe it was not a firm commitment, but we considered a study of a possibility of reimbursing already existing highways that were built from such and such a date, that were up to standard, and also toll roads.

Has your Department given any study or made any recommendations in this connection?

MR. ROTHSCHILD. Yes, sir. Pursuant to the orders of the Congress, we presented this committee and the Public Works Committee of the Senate with this document which is known as House Document 301, and is a report as required under section 114 of the 1956 act.

MR. FALLON. I realize that, Mr. Rothschild, but what I was trying to do was to get you to say in a very few words just exactly what your recommendation was.

MR. ROTHSCHILD. Oh, we recommended that there be no legislative action taken at this time, Mr. Chairman.

MR. FALLON. Mr. Edmondson.

MR. EDMONDSON. Mr. Rothschild, do you feel that the States that have either toll or free roads constructed between 1947 and 1957, and incorporated into the Interstate System, are getting a fair deal under the interstate program in the absence of some reimbursement provision?

MR. ROTHSCHILD. I think you have to examine that on a case-by-case basis, Mr. Edmondson.

MR. EDMONDSON. Well, take the case of Oklahoma, for example.

MR. ROTHSCHILD. First of all, I think there is a difference between free roads and toll roads. In the case of roads which were built by the State with State money, there is, in my thinking, a greater equity in reimbursing that sort of operation than in reimbursing a toll-road operation, which, so far as I know, in most States does not have any State money in it.

Toll roads were built in the main by the sale of securities to people who were investors, and the money in those toll roads has been supplied by insurance companies, and pension trusts, and widows and orphans, and savings banks, and so on.

MR. EDMONDSON. I am not going to quarrel at all with your statement that there is more equity in one than the other. I just wonder if you conclude from that statement that you believe there is equity in a request for reimbursement by the States that have both toll and free mileage constructed between 1947 and 1957 and incorporated into this Interstate System.

Mr. ROTHSCHILD. If there is an equity—and perhaps there is—we believe that the consideration of that should be postponed until such a time as we know where we are with the balance of the system, Mr. Edmondson.

Mr. EDMONDSON. You base that primarily upon financial considerations, rather than equitable considerations?

Mr. ROTHSCHILD. I would say that money is a very important factor in this consideration; yes, sir.

Mr. EDMONDSON. One further question, Mr. Rothschild.

Is it your understanding that the Bureau of Public Roads has the authority and the power in the law to determine priorities for construction of legs of the Interstate System within a State independent of a finding on that question by the State highway commission in that State?

Mr. ROTHSCHILD. I do not believe they do; no, sir.

Mr. EDMONDSON. In other words, you believe that the State highway commission would have to concur on priorities for construction of the Interstate System within the State in order to have those priorities binding?

Mr. ROTHSCHILD. I think that the same rules apply to the Interstate System which apply to all other Federal-aid highways, and that is, all other actions must be initiated by the States.

Mr. EDMONDSON. I have no further questions.

Mr. FALLON. Mr. Mack.

Mr. MACK. Mr. Secretary, has the Department of Commerce made any estimates as to the cost of reimbursing the States with toll roads for their toll roads?

Mr. ROTHSCHILD. Yes, sir.

Mr. MACK. What is that estimate?

Mr. ROTHSCHILD. The figures which I am about to give you, Mr. Mack, are those which would be the net disbursements of the Federal Government.

Mr. MACK. For toll roads only?

Mr. ROTHSCHILD. For toll roads and free roads.

Mr. MACK. I was going to ask you about free roads later.

Mr. ROTHSCHILD. I have them separately and in combination, whichever you would like to have.

Mr. MACK. Give us both, and the total for the two.

Mr. ROTHSCHILD. This would be cost less depreciation up to January 1 of this year, and less Federal-aid which has already gone into those highways. And the reimbursement is based on a 90-10 formula, with regard to interstate, and a 50-50 formula with regard to those not on interstate.

Now, what States should I give you, sir?

Mr. MACK. I wanted the total for the Nation. What would it cost the Federal Government to reimburse the States with toll roads for their toll roads?

Mr. ROTHSCHILD. Approximately \$4,216,000,000—this is both toll and free. You want toll roads only?

Mr. MACK. Can you separate the two, toll roads and free roads?

Mr. ROTHSCHILD. The toll roads would be \$2,265,400,000.

Mr. MACK. And the cost of the two, free roads and toll roads, would be in excess of \$4 billion?

Mr. ROTHSCHILD. Yes, sir; the free roads would be \$1,950,900,000.

Mr. MACK. It would seem to me—and I think you probably would agree—if we reimburse toll roads we must ethically and politically reimburse for the free roads. Washington, for example, has toll roads—and that constitutes the majority of the States. Our tolls on toll roads are paying part of the cost of those roads.

Mr. ROTHSCHILD. Well, in my own thinking—and I am not now speaking for the administration—in my own private thinking, I think that the free roads have a priority over the toll roads if there is to be any reimbursement.

Mr. MACK. I hold here the report of the Bureau of Public Roads for February 28, showing the amount of money that has been allocated to the several States, how much has been requisitioned for use, and how much is under construction.

Those figures show that about \$4,800 million in the past 21 months has been allocated to the States and to the District of Columbia. They further show that more than one-quarter of that money has not been requisitioned by the States for any projects at all, and about one-quarter is lying in a state where it has not been committed for the acquisition of right-of-way or for engineering.

In other words, 50 percent of all the money that has been allocated to the States in the past 21 months for road construction has not been used in any respect.

About one-quarter is going to construction, or \$1,200 million, and another \$1,250 million has gone for rights-of-way and engineering.

It would seem to me the road program has been bogging down as far as getting the actual construction started, in the past 21 months.

I inquired this morning of Governor Ribicoff of Connecticut in that connection, and he said that the Federal Government was retarding that program by requiring that the States put up 100 percent of the money before the contract could be let.

Now, I noticed in this report that such States as California, Ohio, Illinois, Arkansas, Louisiana, and Oklahoma have used more than 90 percent of all the money that has been allocated to them. On the other hand, States like Maine, Pennsylvania, New Jersey, Connecticut, and Wisconsin have used less than 50 percent of the money that has been allocated to them.

Now, some States are bogging down.

Was the Governor's statement correct that you require them to have available 100 percent of the cost of the contract before the contract can be let, or 100 percent of the right-of-way before the right-of-way can be obtained?

Mr. ROTHSCHILD. I was paying strict attention, I thought, to what the Governor said this morning, and I was amazed at some of the

statements, because they seemed to me to be so far from actual practice, and so far from the fact.

I could only conclude they must have gotten some very bad advice from someone.

Mr. FALLON. Will the gentleman yield?

Mr. MACK. I will yield.

Mr. FALLON. It has been my experience that when you find out there has been a delay or a bogging-down in getting this construction job moving, when you talk to the States, they blame it on the Bureau, and when you talk to the Bureau, they blame it on the States.

Now, I think it might be well, during the course of these hearings, if we pursue that very question further to find out just exactly where the fault lies.

Now, you heard Governor Ribicoff this morning, and although they have only used—how much?

Mr. MACK. Connecticut has used less than 50 percent.

Mr. FALLON. Connecticut has used less than 50 percent, and he says it is because of the Bureau of Public Roads.

Now, I take that one particular State, Connecticut. Can you tell us whether that is true or not in Connecticut?

Mr. ROTHSCHILD. I can tell you this in general: Section 6 of the act provides that any State may get an advance on any project any time, and many States have done that, Mr. Chairman.

Mr. FALLON. Did you hear the Governor say this morning that financial experts and legislative experts in his State did not know anything about that?

I think that was his testimony. Am I right?

Mr. MCGREGOR. In reply to my question.

Mr. FALLON. In reply to Mr. McGregor's question.

Mr. ROTHSCHILD. We do not see how he could possibly have made such a statement.

Mr. MACK. The money is here, practically in the bank, waiting for the governors to come and get it if and when the States, through their governors or highway commissions, desire.

Mr. ROTHSCHILD. It is particularly hard to understand, because a States does not have to provide all of the money for a total apportionment at one time.

These apportionments break down into small, relatively small, contracts.

For instance, the acquisition of a mile of right-of-way might very well become a project.

Now, once the right-of-way has been acquired, if the State has the funds with which to do that, it simply sends its bills in and is reimbursed. If it comes in and says it does not have the money and wants an advance of the 90 percent that the Federal Government puts up, it gets that money in advance.

Mr. EDMONDSON. Will the gentleman yield at that point?

Mr. ROTHSCHILD. All the State has to finance at any time if it so desires—and this applies to any State—is its own share, its own matching funds.

Mr. MACK. Mr. Rothschild, in questioning Governor Ribicoff, I took a hypothetical case of a \$10 million project, and said, "Is it necessary for you to put up the \$10 million of the project, not only your 10 percent, the \$1 million, but the \$9 million which would be the Federal share?"

His reply was that the State would have to have available the full \$10 million before it could get any Federal money.

Mr. ROTHSCHILD. If that is so, Mr. Mack, that would depend on some State law, and would not be caused by the Federal act.

Mr. MACK. Is there any explanation as to why some States have used only 50 percent of the available Federal money, while other States, like Mr. McGregor's and Mr. Fallon's States have used about 90 percent of the interstate money?

Why are some of these States using less than 50 percent of the money? Do you know the answer?

Mr. ROTHSCHILD. In some cases it is because the legislatures met on different years than they do in other States, and therefore did not provide matching funds.

In other cases, I am sure it is just a difference in individuals. Some people move more quickly than others.

Mr. MACK. All of the legislatures have met sometime during the past 21 months. It is 21 months since this program went into effect.

Mr. SCHERER. The governor said this morning they used it for police service and for removing snow. It is just a question of where they want to put their money. If they use it for those purposes primarily—

Mr. MACK. I would think the States would place their money first where they only put up 10 percent and get 90 percent Federal money.

Mr. EDMONDSON. Will the gentleman yield?

Mr. MACK. I will yield.

Mr. EDMONDSON. I would like to ask the Secretary if the provision regarding advance of moneys to a State on request is a discretionary proposition with the Bureau of Public Roads, or whether the Bureau of Public Roads is required by law to advance it on request.

Mr. ROTHSCHILD. May I read you that statute?

Mr. EDMONDSON. I think that language would be helpful to have in the hearing at this point.

Mr. ROTHSCHILD. This is section 6.

If the Secretary of Commerce shall determine that it is necessary for the expeditious completion of projects on any of the Federal-aid highway systems, including the Interstate System, he may advance to any State out of any existing appropriations the Federal share of the cost of construction thereof, to enable the State highway department to make prompt payments for acquisition of rights-of-way, and for construction as it progresses.

The sums so advanced shall be deposited in a special revolving trust fund by the State official authorized under the laws of the State to receive Federal-aid highway funds to be disbursed solely upon vouchers approved by the State highway department for rights-of-way which have been or are being acquired, and

for construction which has actually been performed and approved by the Secretary of Commerce.

On determination by the Secretary of Commerce that any part of the funds advanced to any State under the provisions of this section are no longer required, the amount of the advance which is determined to be in excess of current requirements of the State shall be repaid upon his demand, and such repayment shall be returned to the credit of the appropriation from which the funds were advanced.

Any sums advanced and not repaid on demand shall be deducted from funds due the State for Federal pro rata share of the cost of construction of Federal-aid projects.

Mr. EDMONDSON. Then the statutory language indicates it is a matter of complete discretion with the Secretary as to requests of advances, upon request by the State.

Mr. ROTHSCHILD. I do not know of any request that has not been met, Mr. Edmondson.

Mr. EDMONDSON. Have the States been advised by the Secretary as to the availability of this advance money?

Mr. ROTHSCHILD. Many of them are using it, Mr. Edmondson, and they have been advanced.

Mr. EDMONDSON. I cannot help but note—and I hope this is not an unkind observation to make—that the States where they do seem to have abundant advances without any difficulty are in the main States with Republican governors.

Mr. MACK. Oh, no.

Mr. EDMONDSON. No?

Mr. MACK. No, sir; no, sir.

Mr. EDMONDSON. Is that a fair statement to make?

Mr. ROTHSCHILD. No, sir.

Mr. MACK. Let me read the list: California, Ohio, Illinois, Arkansas, Oklahoma.

Mr. EDMONDSON. We certainly do not have a Republican governor and never have had one.

Mr. MACK. The ones without are: New Jersey, Pennsylvania, Indiana—that is a Republican State—and Wisconsin, a Republican State. There is no political bias in this.

I think the big problem this committee, and the States, and the Commerce Department face is to somehow give the green light to this highway program and get it moving.

We have only 25 percent of the money being used for construction after 21 months of money being available. It seems to me the program should be going faster than that. It is a way to create employment. It will provide safety. These are the important advantages in getting this program moving.

Mr. ROTHSCHILD. Mr. Chairman, this provision has been in the law since some time in the 1930's.

Mr. CRAMER. Will the gentleman yield?

Mr. MACK. I yield to the gentleman from Florida.

Mr. CRAMER. Did I understand you to say there has been no denial of funds to any State which has requested them?

Mr. ROTHSCHILD. I do not know of any instance in which it has been denied.

Mr. CRAMER. And—

Mr. EDMONDSON. Will the gentleman yield to correct the record?

Mr. CRAMER. I will yield.

Mr. EDMONDSON. The list of States which was read a moment ago, of States supposedly sharing in these advances, is, I believe, more correctly described as a list of States that are well along with their work.

Mr. MACK. Correct.

Mr. EDMONDSON. Rather than a list of States that have received advances on Federal contribution.

Mr. MACK. Of course, they could not be well along with their work unless they had received advances.

Mr. FALLON. Let me see if we cannot clarify it a little. I think the Secretary made a statement that nobody who requested advances had been turned down to his knowledge; is that true?

Mr. ROTHSCHILD. That was my statement; yes, sir. We would be happy to furnish you with a list of those States which have asked advances, and the amounts thereof, if you would like them.

Mr. FALLON. Mr. Secretary, in order to clear that up, I wish you would give us a rundown of those States so it can be made a part of the record at this point.

Mr. ROTHSCHILD. I would be happy to do so.

(The document referred to is as follows:)

Advances of Federal-aid highway funds to States¹—Summary to Mar. 24, 1958

State	Initial advance		Supplemental advance		Advances repaid	Outstanding balance as of Mar. 24, 1958
	Date	Amount	Date	Amount		
Alabama	Sept. 15, 1947	\$500,000	July 28, 1948	\$500,000	\$1,000,000	
			July 6, 1949	750,000	750,000	
			May 26, 1950	1,500,000	1,500,000	
						\$4,000,000
Arizona	Dec. 16, 1957	4,000,000	Nov. 1, 1957	350,000	1,600,000	
	Oct. 12, 1956	2,000,000	Nov. 25, 1957	2,000,000		2,750,000
Arkansas	July 16, 1946	500,000	Nov. 15, 1948	200,000	500,000	
					200,000	3,000,000
Colorado	Aug. 21, 1957	3,000,000				
	Mar. 5, 1957	2,800,000			2,800,000	
Florida	Sept. 19, 1951	2,500,000			2,500,000	
	Jan. 27, 1955	2,000,000			2,000,000	
	Jan. 28, 1958	8,000,000				8,000,000
Idaho	June 1, 1955	1,000,000	July 18, 1957	500,000		1,500,000
Illinois	Apr. 18, 1950	1,000,000			1,000,000	
Iowa	Dec. 17, 1957	3,000,000				3,000,000
Maine	Aug. 1, 1950	500,000			500,000	
Minnesota ²	June 25, 1946	300,000	May 26, 1949	200,000	250,000	250,000
Mississippi	July 6, 1950	500,000			500,000	
Montana	Mar. 29, 1957	2,500,000				2,500,000
New Mexico	Mar. 10, 1955	1,000,000			1,000,000	
	Mar. 11, 1957	5,000,000				5,000,000
Oklahoma	July 30, 1946	750,000			750,000	
Oregon	July 30, 1957	2,000,000			2,000,000	
Texas ³	Feb. 20, 1957	2,000,000			250,000	250,000
Utah	Apr. 11, 1952	500,000	Aug. 19, 1952	250,000		1,000,000
Washington	Sept. 26, 1950	750,000			1,600,000	
Wyoming	July 25, 1950	1,600,000			1,000,000	
	July 11, 1949	1,000,000				
Total		46,700,000		6,250,000	21,700,000	31,250,000

¹ Pursuant to sec. 6 of Federal-Aid Highway Act of 1944 (58 Stat. 838) as amended and supplemented.

² On account of Federal-aid secondary projects located off State highway system.

³ On account of access road projects located off State highway system.

Mr. FALLON. Mr. Cramer.

Mr. CRAMER. You heard the Governor's testimony with regard to asking the legislature for \$53 million loan authority. Can you explain why that would be necessary under those circumstances?

Mr. ROTHSCHILD. I presume, although I do not know, Mr. Cramer, this would have something to do with State requirements. I see nothing in the Federal law which would make that necessary.

Mr. CRAMER. That is all I have.

Mr. GEORGE. Mr. Chairman.

Mr. FALLON. Mr. George.

Mr. GEORGE. Mr. Secretary, there is not any State that can make requests for funds over and beyond the amount they are due in any certain year, is there?

I mean, you break down the allocation of money per State, and if they are up on their program or have a good construction season, can they go into a year ahead of the financial year? You are limited under law to confine them to certain years; are you not?

Mr. ROTHSCHILD. May I have Mr. Turner answer that question, Mr. George?

Mr. TURNER. Mr. George, the only limitation in the law is a requirement that the advance at any one time cannot exceed one-fourth year's apportionment.

Mr. GEORGE. What year?

Mr. TURNER. The year in which the advance is made.

Mr. GEORGE. You are making an advance now of what? Of 1960 or the end of this fiscal year?

Mr. TURNER. No; we are working into 1958 fiscal year, and 1959 fiscal year apportionments have been made. The maximum advance would be one-fourth of the 1958 fiscal year apportionments.

Mr. GEORGE. Now, is the 1959 money available for obligation at the present time?

Mr. TURNER. It is.

Mr. GEORGE. You have not held up between July 1 and December on allocating that money to States?

Mr. TURNER. No.

Mr. GEORGE. The 1960 money could be held up.

Mr. TURNER. For the interstate money you have an authorization, but we have not yet made an apportionment, because the estimates have not yet been approved by the Congress.

Mr. MCGREGOR. Will the gentleman yield?

Mr. GEORGE. I will yield.

Mr. MCGREGOR. Is this a correct statement, that you have to pay back within the year, but when that amount of time is up, you can go in on the next fiscal year?

Mr. TURNER. No, Mr. McGregor; there is no time limit on it. It is a revolving fund which is replenished as payments are made to the States. And that revolving fund can stand to the credit of the State as long as they need it.

Mr. MCGREGOR. I thought it had to be paid within a year, but when that time was up you could borrow for another year.

Mr. TURNER. No, sir; there is no limitation of that type, Mr. McGregor.

Mr. GEORGE. May I continue?

Mr. FALLON. Mr. George.

Mr. GEORGE. Under the highway trust fund, is not your process of financing highways somewhat different than it used to be? We used to pass an appropriation along with our authorization, and that would immediately become available at the next fiscal year.

Under the highway trust fund as it is now set up, you cannot obligate more money than there is in that fund. Is that not true?

Mr. ROTHSCHILD. Yes, sir; and that is controlled by apportionments, Mr. George.

Mr. GEORGE. If you cannot obligate more than comes into that fund, then you are limited to a fixed amount of what highway construction you can do in a given period.

Mr. ROTHSCHILD. That is correct.

Mr. GEORGE. The ABC roads have the first call on the highway trust fund?

Mr. ROTHSCHILD. That is correct.

Mr. GEORGE. We on this committee passed the original allocation which sets up how much is to come out of that trust fund, and then the rest of the money that is left in there can be apportioned to the various States for their interregional system; is that right?

Mr. ROTHSCHILD. That is correct, sir.

Mr. GEORGE. I want to get back to the bill that is being considered before us at the present time.

I might state, to start with, that I sat in with the Clay committee on most of their meetings with the Members of Congress when they were promoting the interregional highway system. And I think it was implied in the Clay committee report, and also by the Congress and by this committee, when we asked the Bureau of Public Roads to file a report showing the amount of toll roads and the intrastate roads already constructed that could be incorporated in this highway system—we did that with the idea in mind we did not know how many miles would actually fit into the interregional system, but we did it with the idea in mind that what we found out—and you produced the figures at the end of a 2-year study in cooperation with the States—that some method of reimbursement was to be made to those forward-looking States.

Do you not think that was implied by the Clay committee report and the action of the Congress?

Mr. ROTHSCHILD. Surely the Clay report did dwell on reimbursements, and I would not want you to think that our statement which I have just read to the committee in any way negates that original thinking. We simply say that this is not the time to do it, Mr. George.

Mr. GEORGE. I am inclined to agree with you on the question of timing, but the report which was made at the end of 2 years—and it is now time for the report to be made, and I think the Congress should establish what their intent is as to when it is to be done, 10 or 15 years from now.

I do not especially know that it is an immediate, pressing problem, but I do think we ought to follow through on what we started out to do in 1956.

I seriously doubt that had the Congress known that several of the States who had progressed greatly in their road-building program—if they had thought that they were going to be penalized under this type of program by not having some form of reimbursement or consideration, I doubt whether they would have passed the original bill.

And I am concerned that we have some equity and fairness to the States who have built up highways to an interregional standard, where they can be incorporated. Actually, the amount of roads that we have on the interregional now are the ones that can be driven over and ridden on by the traveling public, and are the ones that the toll road people have already constructed. And I do not think progressive States ought to be penalized.

Mr. SCHERER. Will you yield?

Mr. GEORGE. I will yield.

Mr. SCHERER. To substantiate what the gentleman from Kansas says about the Clay report, I have the language of the Clay report in front of me, which says:

Some States have already constructed sections of the Interstate System to the required standards with either State or toll financing, and others are proceeding along similar lines. Such construction should not be discouraged by this report, since our goal is a maximum of highway improvement.

Those States in which sections of the Interstate System have been provided to meet the presently established standards for the completed system should receive appropriate credit provided such funds are used to improve other roads on established Federal-aid systems, or as may be approved by the Federal Government and all other Federal funds for highway purposes have been matched as required.

Is that not exactly what my bill proposes to do at this time? It proposes to follow the recommendations of the Clay report and provide credits on primary systems.

Mr. ROTHSCHILD. Even if it does, Mr. Scherer, it seems to me—

Mr. SCHERER. Well, you will admit that is what my bill does, follows the recommendation of the Clay committee report. It may not be opportune to do it at this time.

Mr. ROTHSCHILD. I think it does substantially follow the language of that.

Mr. MCGREGOR. Concerning the Clay committee report, we turned it down. Why bring it up and use that as an argument for legislation that is before us? As far as I am concerned, I do not agree with the Clay committee report.

Mr. BALDWIN. Will the gentleman yield?

Mr. MCGREGOR. I will yield.

Mr. BALDWIN. On that specific point, we turned down the specific recommendations on financing given by the Clay committee report, so to weigh all our discussion now on the Clay committee report which we turned down 2 years ago—

Mr. SCHERER. Now, wait a minute. I do not think we did turn down this Clay report, because it was my amendment in the 1956 Act, which is still there, which indicates that we acted on this recommen-

dition of the Clay report—not fully at that time, but we recognized the principle that there should be reimbursement to the States and put a provision in the bill that in this 2-year period we should determine what reimbursement, if any, should be made to the States, and under what formulas and what circumstances, and that is what we are here considering today.

Now, let me make this observation—or let me ask this question, Mr. Rothschild.

You said you opposed both of these bills, and before I ask you this question, let me make this statement: I introduced my bill after Mr. Buckley introduced his, because I was, and have been, opposed to increasing the mileage on the Interstate System.

Now, if this committee should decide to make some reimbursement to the States, which of the two bills do you prefer? You might have to take one.

Mr. ROTHSCHILD. If there is any reimbursement legislation enacted by the Congress, we would hope that the Congress would do so on a dollar basis, and not on a mileage basis, Mr. Scherer.

Mr. SCHERER. All right. I appreciate that. The question I am asking you: The main principle of the Buckley bill is to increase the mileage on the Interstate System in the State that is getting reimbursement. Do you favor that provision over the provision in my bill?

That is all I want to know. I understand you do not favor either.

Mr. ROTHSCHILD. We believe, I think, in our consideration—and this is, again, not a policy which has been arrived at——

Mr. FALLON. Will the gentleman yield?

Mr. SCHERER. Yes.

Mr. FALLON. I might remind the witness that if a question is asked and the answer is a choice between two things that he does not favor in either case, he can answer it that way.

Mr. SCHERER. He can what? He can take the 5th Amendment, I know that. [Laughter.]

Mr. EDMONDSON. He can say which one he dislikes the most, can he not?

Mr. SCHERER. Sure. I am asking him, if he has to take reimbursement, which type of reimbursement he would rather have.

Mr. FALLON. I do not think it is a fair question to ask him, to force an answer.

I think he could just say that he did not like either one of them and preferred something else.

Mr. SCHERER. Well, Mr. Chairman, I think I have a right to have an answer to my question.

Mr. FALLON. I think the witness has a right to——

Mr. SCHERER. If he wants to refuse, let him refuse to answer.

Mr. FALLON. I do not think we ever get to a point where a man refuses to answer in this committee.

Mr. GEORGE. I think I have the floor. I yielded to Mr. Scherer, and I would like to have it back.

Mr. SCHERER. Go ahead. I will get my turn.

Mr. GEORGE. I have one other question, Mr. Rothschild, I want to ask as a matter of equity, bringing it back to my home State:

Under the original act, we have a little over 600 miles in the inter-regional highway system. Our construction costs, of course, are a good deal less than they are in the mountainous States, and States that are more congested, where right-of-way costs are high, and where you have to build a lot of structures, so the amount of money involved in our State was very small.

Now, you come out to the State of Kansas and incorporate one hundred and eighty-some miles of our highway turnpike into the interregional system. Now, that, in effect, cuts the amount of money that the State of Kansas was to get from this proposed interregional highway system one-third. We still have two-third of the mileage yet to construct.

Do you think it is fair for us to be clipped one-third in the amount that we were going to get under the interregional highway system if there is not some procedure of reimbursement or some procedure so we can draw the money that we would have received to allocate to other roads in our State?

Mr. ROTHSCHILD. I do not know if my remarks would apply particularly to the State of Kansas, Mr. George, but I do know that in many instances had we not, at the State's request, incorporated the free or toll facility which met interstate standards into the Interstate System, then we would, under the plan approved by the Congress, have been compelled to build a duplicate facility.

Had we built a duplicate facility, this would have been, in the first instance, a waste of the taxpayers' money, and in many cases would have busted the toll roads higher than a kite.

Mr. GEORGE. That, of course, would have applied in my home State, and I know it, but instead of getting 600 miles, we are getting 400 miles construction.

Of course, our people are kind of concerned about it. I hear from them.

I have one other question: My highway engineers have written me and told me in person, that after July 1 of this year, they will be unable to let more contracts on their highway system, because of the fact the Federal Government is not making money available until December.

Now, has that ruling been changed or not? That will be 1959 of 1960 money; I think 1960.

Mr. ROTHSCHILD. The apportionments for 1960 will not be made until we have had word from the Secretary of the Treasury that funds will be available for that purpose.

Mr. GEORGE. Have they not always been available on July 1 in former years?

Mr. ROTHSCHILD. No, sir. Until 2 or 3 years ago, the apportionments were never made until the end of the year.

Mr. GEORGE. Until the end of the year?

Mr. FALLON. Would the repeal of the Byrd amendment take care of that? Could you appropriate money sooner than you can do at the present time?

Mr. ROTHSCHILD. The repeal of the Byrd amendment would make it possible to apportion all of the money authorized in the 1956 act.

Mr. GEORGE. Several of our contractors are going to shut down in the middle of the construction year unless that is actually done in our State.

Mr. ROTHSCHILD. Kansas has unprogramed, as of February 28, which is just a few weeks ago—unprogramed and available to it, \$21,178,000 of interstate funds. I would very much doubt the statement which was made to you, Mr. George.

Mr. GEORGE. That is for 1959?

Mr. ROTHSCHILD. That is of all years, but they have a \$21 million balance which they haven't programed yet.

Mr. GEORGE. What about the ABC program?

Mr. ROTHSCHILD. And they have an additional \$16.5 million which is programed but not under contract.

So I would very much doubt that you are getting the correct information.

Mr. GEORGE. I got it from the chief engineer, and the secretary of the contractor's association.

Mr. MCGREGOR. That would show approximately \$37 million worth of Federal funds down here that Kansas has not matched?

Mr. ROTHSCHILD. Interstate only.

Mr. GEORGE. That is for 1959?

Mr. ROTHSCHILD. And could be put under contract in this current contracting season, Mr. George.

Mr. BALDWIN. Mr. Chairman.

Mr. CRAMER. Mr. Chairman.

Mr. FALLON. Mr. Cramer.

Mr. CRAMER. I would like to try to clarify one point.

When this additional 41,000-mile system—it initially was 38,000—was contemplated the States were asked to submit, by the Clay Committee, their recommendations as to the mileage and routes needed to accomplish the overall objective of a Defense and Interstate Highway System.

To what extent were the existing toll and free roads at that time, or the up-to-standard roads taken into consideration when those reports were submitted?

Mr. ROTHSCHILD. I do not believe they were taken into consideration at all, Mr. Cramer. The designation was made on a schematic basis, that is to say, it was felt necessary to connect point A with point B, because there were large centers of population or for other reasons.

And on a schematic basis, they did not follow a particular route at all. And it was not until engineering had been done that routes were pinned down.

Mr. CRAMER. Was it taken into consideration in estimating the cost of the system subsequently, when the report was made with regard to cost?

Mr. ROTHSCHILD. Yes, to a considerable extent.

Mr. CRAMER. Then the estimated cost of the system as submitted to Congress, and upon which we based our legislative authorization—did that delete from the estimated cost the toll- and free-road mileage that was estimated to be up to standard?

Mr. ROTHSCHILD. It did, but let us be free to admit that that first set of estimates was a poor set of estimates, Mr. Cramer.

Mr. CRAMER. Well, the point I am getting at, which I think is rather obvious, is that when the initial estimate of cost, which is the basis of our authorizing legislation was made, did it include or exclude the existing toll and free mileage?

Mr. ROTHSCHILD. In the cost estimates, the toll and free mileage which were felt to be suitable were excluded.

Mr. CRAMER. In other words, the present bill, enacted in 1956, excluded the 200 miles in Kansas, for instance, from the estimated cost of completing the total system in the country?

Mr. ROTHSCHILD. Yes.

Mr. GEORGE. Wait just a minute. I do not see how it could, because you did not know how many miles in Kansas were up to standard which you were going to take over. You did not know in any other States, or, at least this committee was led to believe that you had to make a study before you could make a report.

Mr. ROTHSCHILD. Mr. Turner tells me the cost of work which was completed at the time the estimates were furnished the Congress on which the 1956 legislation was developed excluded the cost of those roads already under construction.

Mr. GEORGE. Turnpikes and all?

Mr. ROTHSCHILD. Yes, sir.

Mr. CRAMER. I think that is a vital point.

Mr. GEORGE. I certainly did not understand it that way at all.

Mr. CRAMER. Secondly, will you give me the figures with regard to Florida of unspent money, money not related to bids advertised for?

Mr. ROTHSCHILD. Florida has available \$47,100,000 of unspent funds.

Mr. CRAMER. That is unprogramed?

Mr. ROTHSCHILD. Wait a minute; hold it. Correction: As of now it was \$4,500,000 of unprogramed balance, and \$42,390,000 programed but not under contract, or a total of \$47 million.

Mr. DOOLEY. Will the gentleman yield?

Mr. CRAMER. I will yield to the gentleman from New York.

Mr. DOOLEY. Will you give me the figures for New York in that respect, Mr. Secretary?

Mr. ROTHSCHILD. New York State has almost \$64 million unprogramed, and programed but not under contract, \$27 million, or a total of \$90 million.

Mr. EDMONDSON. Will the gentleman from Florida yield?

Mr. CRAMER. Yes.

Mr. EDMONDSON. I wonder if we could not have those figures submitted for the record for all States at this point.

Mr. ROTHSCHILD. I would be glad to do so.

(The document referred to is as follows:)

Unprogramed balances of Federal-aid highway funds, as of Feb. 28, 1958

[Thousands of dollars]

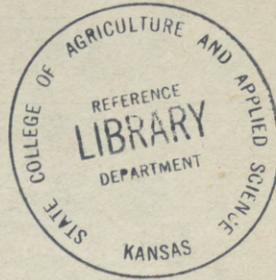
State	ABC	Interstate	Total	State	ABC	Interstate	Total
Alabama	\$1,538	\$32,055	\$33,593	New Jersey	\$28,967	\$56,963	\$85,930
Arizona	2,775	7,683	10,458	New Mexico	4,166	5,479	9,645
Arkansas	14,764	9,644	24,408	New York	62,799	63,913	126,712
California	32,606	23,017	55,623	North Carolina	20,791	44,449	65,240
Colorado	13,680	23,876	37,556	North Dakota	4,327	14,134	18,461
Connecticut	26,554	24,948	51,502	Ohio	15,393	1,601	16,994
Delaware	2,008	20,758	22,766	Oklahoma	5,470	10,723	16,193
Florida	6,441	4,507	10,948	Oregon	7,748	23,452	31,200
Georgia	11,643	6,881	18,524	Pennsylvania	27,473	73,199	100,672
Idaho	7,466	29,803	37,269	Rhode Island	4,422	5,018	9,440
Illinois	30,907	15,558	46,465	South Carolina	8,869	12,725	21,594
Indiana	28,249	66,700	94,949	South Dakota	2,861	1,060	3,921
Iowa	4,350	26,637	30,987	Tennessee	13,427	20,775	34,202
Kansas	6,026	21,178	27,204	Texas	36,287	26,480	62,767
Kentucky	6,629	43,148	49,777	Utah	2,666	4,356	7,022
Louisiana	9,753	9,586	19,339	Vermont	3,696	1,265	4,961
Maine	7,607	18,887	26,494	Virginia	7,756	10,876	18,632
Maryland	3,818	6,153	9,971	Washington	10,617	25,837	36,454
Massachusetts	11,441	17,215	28,655	West Virginia	11,084	28,592	39,676
Michigan	23,316	39,347	62,663	Wisconsin	11,171	69,789	80,960
Minnesota	17,375	39,511	56,886	Wyoming	1,020	5,364	6,384
Mississippi	8,048	4,232	12,280	District of Columbia	12,252	11,923	24,175
Missouri	12,314	19,514	31,828	Hawaii	2,835	-----	2,835
Montana	12,579	51,357	63,936	Puerto Rico	7,589	-----	7,589
Nebraska	10,240	46,094	56,334	Alaska	13,809	-----	13,809
Nevada	8,821	22,623	31,444				
New Hampshire	2,945	15,942	18,887				
				Total	651,387	1,164,827	1,816,214

STATUS OF FEDERAL-AID HIGHWAY PROJECTS BY STATES
Projects financed from interstate funds (authorized by the Federal-Aid Highway Acts of 1952 through 1956), as of Feb. 28, 1958

[Thousands of dollars]

State	Programed only			Contracts advertised, not yet awarded			Contracts awarded, construction not started			Projects underway			Total		
	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles
	Alabama.....	\$36,340	\$32,571	110.3	\$2,684	\$2,416	14.1	\$3,173	\$2,867	8.1	\$33,617	\$29,040	49.9	\$75,814	\$66,894
Arizona.....	21,245	19,912	91.9	3,436	3,244	15.7	4,170	3,927	23.6	19,867	18,687	71.4	48,718	45,770	202.6
Arkansas.....	29,083	26,171	48.0	4,332	3,343	16.7	7,970	6,869	23.0	30,077	28,077	18.5	71,462	62,162	106.2
California.....	5,363	4,913	3.3	26,825	24,506	14.5	18,480	16,917	13.8	464,165	195,126	122.9	514,833	241,482	151.5
Colorado.....	9,124	8,331	26.3	1,576	1,290	.1	1,380	1,119	13.8	33,015	29,279	101.2	42,280	37,723	127.5
Connecticut.....	292	263	1.1	1,576	1,290	.1	31	28	..	25,050	3,797	15.0	26,940	22,560	15.1
Delaware.....	7,710	6,875	2.1	3,070	2,763	8.5	24	22	..	37,413	3,797	1.1	13,110	10,672	2.2
Florida.....	47,100	42,390	32.8	6,033	5,430	24.5	4,548	4,063	..	25,912	20,695	14.4	87,607	77,084	55.7
Georgia.....	81,394	72,023	66.1	6,033	5,430	24.5	4,548	4,063	..	37,413	30,695	23.0	117,887	102,241	113.7
Idaho.....	12,244	11,300	39.8	350	323	3.1	3,517	3,263	4.1	9,249	7,785	14.5	21,843	19,408	69.4
Illinois.....	44,842	40,084	22.1	13,836	12,338	12.6	37,517	33,263	4.1	134,688	114,726	30.6	230,883	200,411	54.6
Indiana.....	34,300	29,814	50.2	3,288	2,493	2.2	1,251	1,112	2.2	20,681	17,659	61.2	50,520	51,080	234.0
Iowa.....	33,773	30,119	82.2	7,208	6,487	21.8	20,602	18,032	79.0	26,288	24,220	73.7	80,663	69,830	234.0
Kansas.....	18,357	16,521	75.4	7,208	6,487	21.8	11,084	9,975	53.7	26,964	24,220	61.2	55,021	47,814	212.1
Kentucky.....	17,614	15,853	11.2	5,229	4,707	5.8	13,383	11,265	8.0	27,712	18,593	13.6	50,520	51,080	234.0
Louisiana.....	38,985	35,038	40.5	2,596	2,336	5.8	13,383	11,265	8.0	27,712	18,593	13.6	50,520	51,080	234.0
Maine.....	9,356	8,177	10.3	2,596	2,336	5.8	13,383	11,265	8.0	27,712	18,593	13.6	50,520	51,080	234.0
Maryland.....	1,827	1,554	..	2,596	2,336	5.8	13,383	11,265	8.0	27,712	18,593	13.6	50,520	51,080	234.0
Massachusetts.....	37,373	33,480	9.5	4,428	3,985	4.5	8,374	7,536	4.5	48,836	38,282	23.3	98,465	88,323	32.3
Michigan.....	60,217	54,196	85.5	11,228	9,243	3.3	8,374	7,536	4.5	50,477	43,295	13.3	80,663	69,830	234.0
Minnesota.....	7,402	6,772	9.8	5,246	4,459	6.2	10,116	9,091	11.1	61,643	53,343	55.0	137,222	121,061	138.4
Mississippi.....	29,978	26,880	86.8	10,463	9,465	25.2	16,101	14,931	28.7	34,121	28,869	33.0	84,063	74,331	199.5
Missouri.....	25,263	22,806	7.8	7,395	6,663	6.8	5,098	4,366	4.0	43,603	39,288	32.2	82,199	74,093	90.8
Montana.....	4,549	4,076	20.3	7,395	6,663	6.8	5,098	4,366	4.0	16,469	14,846	25.9	22,345	20,134	58.6
Nebraska.....	3,558	3,269	2.3	7,395	6,663	6.8	5,098	4,366	4.0	25,091	21,804	11.2	29,376	26,509	13.7
Nevada.....	9,200	8,740	22.8	7,395	6,663	6.8	5,098	4,366	4.0	25,091	21,804	11.2	29,376	26,509	13.7
New Hampshire.....	1,150	1,035	2.0	2,063	1,862	3.7	1,228	971	1.5	12,008	9,898	10.4	16,509	13,756	16.7
New Jersey.....	9,747	8,785	2.0	3,105	2,782	1.1	3,353	3,018	2.7	42,054	36,869	11.9	58,259	51,484	18.7
New Mexico.....	7,362	6,563	11.5	3,080	2,632	5.9	3,353	3,018	2.7	42,054	36,869	11.9	58,259	51,484	18.7
New York.....	30,287	27,512	20.1	23,375	22,700	10.5	33,021	25,533	15.9	275,357	212,921	87.3	394,930	307,067	104.7
North Carolina.....	35,643	32,271	141.9	1,862	1,780	17.2	10,393	9,125	57.8	39,604	33,800	200.9	81,483	71,386	374.0
North Dakota.....	16,337	14,683	83.6	3,262	2,939	30.6	10,393	9,125	57.8	11,235	10,103	28.2	40,993	36,850	200.2
Ohio.....	10,337	9,351	122.8	12,059	10,833	4.7	44,238	39,534	37.8	132,114	113,314	98.4	189,910	165,032	240.0
Oklahoma.....	39,071	35,809	618	686	618	3.8	4,308	3,527	32.9	34,251	29,441	74.5	83,224	73,395	134.0
Oregon.....	4,867	3,749	11.5	5,296	4,891	29.4	3,280	2,767	12.5	23,209	21,465	66.4	35,932	32,872	119.8
Pennsylvania.....	62,807	56,356	39.0	6,878	7,810	22.9	2,644	2,380	4.0	124,748	108,416	73.8	198,987	174,962	139.7

Rhode Island.....	8,721	7,840	9.6	140	126	2,796	2,517	.1	15,389	12,775	8.4	26,906	23,141	18.1
South Carolina.....	41,969	37,780	106.4	---	---	978	922	.3	17,022	13,638	69.4	60,109	52,766	176.1
South Dakota.....	48,711	44,418	96.9	10,923	9,831	571	514	2.5	11,137	9,757	27.6	59,848	54,175	124.5
Tennessee.....	50,336	44,961	28.4	15,854	14,150	11,245	9,954	19.8	39,132	31,695	7.1	100,962	87,001	57.2
Texas.....	111,231	99,956	223.3	---	---	4,446	4,220	14.8	120,225	106,953	322.5	258,555	231,013	579.9
Utah.....	26,552	55,202	58.6	---	---	---	---	---	13,230	12,384	7.8	44,228	41,806	73.6
Vermont.....	19,550	17,595	10.3	12,580	11,322	---	---	---	14,633	12,192	7.8	34,183	29,787	18.1
Virginia.....	35,590	32,068	31.1	851	15.7	596	553	---	49,719	42,817	48.9	97,889	86,207	96.7
Washington.....	11,671	10,661	33.3	---	---	---	---	---	38,517	34,186	69.0	51,635	46,172	106.5
West Virginia.....	28,640	24,966	32.6	3,509	3,158	4,025	3,541	8.0	7,438	6,044	27.4	36,078	31,010	32.6
Wisconsin.....	13,890	10,784	79.6	1,775	1,649	---	---	---	18,073	15,154	102.9	39,497	32,637	130.9
Wyoming.....	13,489	12,551	40.4	---	---	---	---	---	31,400	29,021	---	46,664	43,221	137.9
Hawaii.....	---	---	---	172	154	1,991	1,704	.2	16,747	14,847	.2	22,150	19,673	.4
District of Columbia.....	3,240	2,968	---	---	---	---	---	---	---	---	---	---	---	---
Puerto Rico.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total.....	1,240,299	1,121,854	2,142.2	231,523	206,525	298,947	262,446	502.1	2,440,866	1,883,112	2,268.4	4,220,635	3,473,937	5,311.4



Projects financed from primary, secondary and urban funds (authorized by the Federal-Aid Highway Acts of 1944 through 1956) as of Feb. 28 1958

[Thousands of dollars]

State	Programed only			Contracts advertised, not yet awarded			Contracts awarded, construction not started			Projects underway			Total		
	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles	Total cost	Federal funds	Miles
	Alabama.....	\$21,498	\$11,075	341.4	\$3,134	\$1,649	18.9	\$9,096	\$4,826	116.9	\$44,731	\$23,016	720.2	\$78,479	\$40,566
Arizona.....	6,430	4,551	54.2	198	143	3.5	2,747	2,272	17.6	14,074	10,417	130.9	23,449	17,383	296.2
Arkansas.....	13,754	6,900	506.6	1,535	769	27.1	4,729	2,575	57.4	19,727	9,903	337.1	39,745	20,347	698.2
California.....	30,976	16,630	160.1	5,362	3,057	3.5	5,733	3,213	21.8	100,901	51,779	270.7	142,972	74,979	456.1
Colorado.....	7,738	4,377	76.6	389	182	2.4	2,805	1,525	23.3	24,244	12,627	169.5	35,178	18,913	301.8
Connecticut.....	2,065	1,033	9	331	354	2	1,802	825	1.2	17,196	8,147	21.0	21,452	10,389	93.8
Delaware.....	4,473	2,248	20.6	1,873	933	3.4	566	295	3	7,517	3,731	61.6	14,429	7,207	55.6
Florida.....	23,524	11,756	274.8	2,833	1,416	23.5	5,343	2,683	17	31,792	16,284	335.6	58,403	29,583	633.6
Georgia.....	38,765	19,763	628.8	5,271	2,636	31.7	1,230	2,983	44.6	76,221	38,025	911.6	125,600	63,107	1,616.7
Idaho.....	6,019	3,807	59.3	1,478	542	18.4	1,230	979	25.2	11,252	6,894	147.4	19,979	12,222	230.3
Illinois.....	55,626	29,341	530.8	5,727	2,945	45.4	22,000	11,716	81.9	66,791	36,332	590.3	130,144	80,354	1,248.4
Indiana.....	30,772	15,577	220.1	13,408	6,703	63.9	8,906	4,658	201.5	31,780	20,530	264.5	91,876	47,468	730.0
Iowa.....	21,196	10,935	604.1	1,815	180	5.6	7,814	4,490	94.8	31,780	17,662	117.1	61,035	33,167	1,821.6
Kansas.....	10,236	4,949	648.5	3,859	1,815	102.2	8,390	4,467	146.2	30,061	15,012	129.2	52,546	26,243	2,023.1
Kentucky.....	25,661	13,382	128.4	1,974	987	9.8	1,368	4,994	7.1	34,181	17,916	228.5	63,184	33,279	373.8
Louisiana.....	29,467	14,235	255.3	2,982	1,491	45.3	12,494	6,247	72.5	43,473	20,929	379.3	88,416	43,802	752.4
Maine.....	1,888	952	7.2	1,231	616	4.0	101	97		13,779	6,500	99.7	16,989	8,565	110.9
Maryland.....	20,850	12,299	106.2	12,938	6,349	36.1	6,413	3,264	11.5	28,335	13,524	149.3	68,536	35,436	303.1
Massachusetts.....	10,984	5,805	15.5	15,308	7,629	9.4	16,646	8,251	10.3	54,605	26,643	43.5	97,544	48,328	78.7
Michigan.....	37,171	18,483	540.2	2,757	1,517	65.7	8,522	4,266	78.3	49,263	22,868	307.1	100,544	48,374	991.3
Minnesota.....	2,207	1,165	55.7	2,858	1,517	24.3	4,530	2,537	75.5	35,458	18,880	759.9	45,053	24,099	915.4
Mississippi.....	20,793	9,908	604.4	6,289	3,145	101.9	1,538	2,782	32.7	28,509	14,300	712.7	57,129	28,133	1,451.7
Missouri.....	25,622	12,995	1,143.1	3,567	1,807	22.3	5,302	2,766	45.5	62,934	31,452	980.5	97,325	49,020	2,196.4
Montana.....	6,267	4,009	134.9	1,878	878	1.9	3,002	1,861	38.0	28,616	18,655	384.7	38,400	24,803	523.5
Nebraska.....	8,227	4,209	205.1	7,362	3,681	121.2	6,761	3,609	104.2	31,441	16,578	966.2	53,791	28,077	1,396.7
Nevada.....	4,188	2,217	16.4	500	585	6.1	860	413	4.0	8,040	6,725	158.4	8,915	7,457	174.9
New Hampshire.....	10,706	5,353	49.4	500	245	2.0	1,543	769	2.9	34,206	17,101	39.4	46,455	23,223	91.7
New Mexico.....	3,797	2,470	26.4	2,838	1,332	44.6	6,683	461	11.6	18,017	11,099	209.6	25,355	15,862	282.2
New York.....	20,418	9,179	83.4	855	389	2	6,763	3,075	6.0	231,713	108,318	364.7	259,749	120,961	436.3
North Carolina.....	15,812	7,682	193.0	2,339	1,048	21.2	3,492	1,722	29.7	45,317	21,806	541.1	66,960	32,238	753.0
North Dakota.....	11,288	6,014	821.7	1,689	783	45.1	3,281	1,680	116.6	13,667	6,888	957.0	29,802	15,366	1,940.4
Ohio.....	63,634	34,286	155.1	1,345	639	10.7	15,080	9,999	20.0	112,513	56,643	232.2	193,916	102,273	1,413.2
Oklahoma.....	31,147	15,723	571.9	3,950	1,974	22.3	2,047	1,040	8.1	38,102	18,977	510.9	75,246	37,637	119.0
Oregon.....	3,703	2,193	42.4	1,737	1,074	10.6	2,047	1,886	15.9	16,643	10,107	127.8	25,130	16,290	166.7
Pennsylvania.....	58,779	29,011	147.6	21,340	10,275	29.8	2,835	1,415	7.8	136,824	66,993	287.4	219,778	107,694	472.6
Rhode Island.....	4,993	2,497	7.0				2,999	1,150	1.5	9,025	4,521	12.6	14,317	7,108	21.1

South Carolina.....	21,400	436.8	1,586	802	14.6	554	277	21.3	29,961	15,690	603.6	53,591	28,088	1,076.3
South Dakota.....	21,200	784.4	542	803	16.5	997	557	40.5	10,655	6,026	417.7	33,493	18,849	1,259.1
Tennessee.....	21,202	526.7	2,041	1,021	13.1	11,372	5,692	36.4	50,970	23,901	530.1	89,675	43,360	1,106.3
Texas.....	16,202	427.8	9,725	4,979	84.7	10,896	5,570	37.7	104,407	53,551	1,571.5	142,289	72,962	2,121.5
Utah.....	16,642	132.0	2,297	1,690	15.2	1,548	1,157	6.4	9,481	6,760	107.5	19,968	14,564	281.1
Vermont.....	5,888	33.5	989	1,494	4.3	1,778	1,388	4.7	5,065	2,629	30.6	10,218	5,205	73.1
Virginia.....	9,610	106.6	4,790	2,405	14.7	3,595	2,002	13.0	34,144	17,916	212.3	60,051	31,942	346.6
Washington.....	14,970	197.6	4,504	2,413	5.7	3,826	2,447	5.8	24,723	13,586	148.5	45,023	24,717	357.6
West Virginia.....	16,795	39.0	3,845	2,180	5.7	3,583	1,795	14.6	31,510	15,861	71.5	52,233	26,568	125.1
Wisconsin.....	13,749	243.2	2,029	1,014	4.6	9,078	4,942	113.9	29,018	14,940	348.5	53,874	28,128	710.2
Wyoming.....	8,838	111.0	1,488	689	1.8	709	457	9.3	14,506	9,339	163.7	24,053	15,563	284.0
Hawaii.....	10,617	17.2	660	330	3.3	2,404	1,202	2.2	8,905	4,472	4.4	15,138	7,470	23.4
District of Columbia.....	18,553	4.8	1,024	478	5.6	340	340	.1	18,769	8,678	4.3	15,522	7,885	11.6
Puerto Rico.....	18,147	28.8	276	276	10.9	340	340	.1	10,799	9,292	307.9	37,940	17,945	89.7
Alaska.....	3,419	46.3	176,915	89,945	1,176.2	284,700	126,763	1,840.0	1,985,390	1,017,139	19,261.6	14,834	13,337	365.2
Total.....	893,971	12,589.2	1,763,915	899,945	1,176.2	2,847,700	1,267,763	1,840.0	1,985,390	1,017,139	19,261.6	3,290,976	1,701,552	34,867.0

Mr. CRAMER. Does the Secretary know of any reason why in some of the States they have not used or actually contracted for more than some 50 percent of the money, or throughout the country as an average?

Mr. ROTHSCHILD. Well, there are, I suppose 48 reasons, Mr. Cramer. Each State would have some slightly different reason why it was not faster or a little behind schedule.

Mr. CRAMER. It is in the discretion of the State road department as to whether the money is spent; is that not correct?

Mr. ROTHSCHILD. Yes, sir.

Mr. CRAMER. That is all I have.

Mr. EDMONDSON. There is a request from the gentleman from Missouri to place in the record at the conclusion of the testimony from the Secretary a letter from the chief engineer of the Missouri State Highway Commission on the subject of this problem of interstate road systems and incorporation of turnpikes into it.

If there is no objection, this two-page letter will be inserted at the conclusion of Mr. Rothschild's testimony.

The gentleman from Illinois.

Mr. GRAY. No questions.

Mr. EDMONDSON. The gentleman from California.

Mr. BALDWIN. Mr. Rothschild, as I understand your prepared statement which you first read, you were testifying on the Buckley bill and the Scherer bill, that in effect it would give the State the full right to determine what other roads were brought on to the system without any discretion as far as the Secretary of Commerce is concerned; is that right?

Mr. ROTHSCHILD. Yes, sir.

Mr. BALDWIN. As I understand it, up to the present time there has never been any legislation which has ever been passed which removed that discretion from the Federal level and told the State, "You can designate any piece of road you want, and we will finance it."

Mr. ROTHSCHILD. I believe that is correct, sir.

Mr. BALDWIN. That would mean a State could pick different isolated sections of urban routes where the rights-of-way were most costly of all, and throw those into the Interstate System, so we bear 90 percent of the financing, as I understand it.

Mr. ROTHSCHILD. And your concept of an integrated system would be out the window at that point.

Mr. BALDWIN. That is all, Mr. Chairman.

Mr. EDMONDSON. Mr. McFall.

Mr. McFALL. I have no questions.

Mr. EDMONDSON. The gentleman from Iowa.

Mr. SCHWENGEL. Yes; I have a question.

I would like to have you restate the effects of the repeal of the Byrd amendment. As I understand it, if that is repealed, then you will be authorized to advance money to States who are further advanced in the program than scheduled.

Mr. ROTHSCHILD. No, sir; first of all, the 1956 act authorizes certain apportionments to be made on an annual basis. The Byrd amendment limits the size of those apportionments to a figure which is less than that amount authorized, and confines the apportionment to the amount of money which the Secretary of the Treasury certifies will be available when needed.

Now the effect of that is, to use a single year as an example, in 1960 the act calls for an authorization of \$2,200 million. When the Byrd amendment is brought into play, that reduces the amount of money available for 1960 to \$1,600 million.

Mr. SCHWENGEL. If we repeal the Byrd amendment then, take the Byrd amendment out of the bill, then you will be able to spend all of your money?

Mr. ROTHSCHILD. We will be able to apportion it; yes, sir.

Mr. SCHWENGEL. Then will you be able to say that if State A has no prospect of being able to use, we will say, \$10 million that might be their share and State B is well enough advanced, and represents an important area in the system, they can use that money? If the amendment is repealed, can you do that? Can you apportion it to the States that way, money that is not used, from one area to another area?

Mr. ROTHSCHILD. No, sir.

Mr. SCHWENGEL. Then what would be your attitude toward making that possible?

Mr. ROTHSCHILD. I believe, with only 1 or 2 exceptions, no State in the forty-odd years of Federal aid has ever lost any Federal-aid money, Mr. Schwengel; they have found matching funds.

Mr. SCHWENGEL. Is it not true that if it were possible to apportion to the States who were better advanced, maybe doing a better job for various reasons—there may be a very good reason a certain State cannot do the job as fast—it might not be lying idle, as it would be with this kind of a program, for as much as 5 years? Would it not be to the advantage of the program? I mean, the money might be apportioned, but not actually used. Would it not be better for States who can to use it, and move ahead on the program? Would it not make sense if we could do that?

Mr. ROTHSCHILD. We are a little confused about some of the statements that have been made on behalf of the State highway officials. They indicate, with a great unanimity, that they can all meet almost any amount of Federal aid, and they have so testified before the Congress.

If they can, we wonder why it is they do not do it always. And we are not able in every case to find out the absolute answer.

Mr. SCHWENGEL. Then would it be in the public interest to change the law so that it states that the States that can use money in our program can use that money to complete it a little faster?

Mr. ROTHSCHILD. I do not believe it would make a substantial difference as to when the program would be completed, Mr. Schwengel. I think it will get on.

Some of the States have not gotten started as rapidly as others, but they will probably catch up more rapidly.

I think now about South Dakota, for example, which has been delayed for a while because its State legislature did not meet on the same years as the others did. It has only made it possible now for them to find their State matching funds.

Mr. SCHWENGEL. One question further on toll roads.

I am in sympathy with the States who have built toll roads, but they have the advantage of being able to use those roads now, and in most instances they are complete.

But I think we ought to recognize them, and my feeling has been that we ought to recognize their contribution in that area on a formula that would be equitable, which I assume is what you had in mind, that is equitable to the cost of other roads being built comparable to those.

And if and when the Interstate System is paid for, would you oppose, then, considering legislation to reimburse the States?

Mr. ROTHSCHILD. We will be glad to give it our consideration a little later on.

Mr. CRAMER. Will the gentleman yield?

Mr. SCHWENGEL. Yes.

Mr. CRAMER. Mr. Secretary, our road department in Florida has requested that the period of time under section 110 for advance purchase of rights-of-way, which now permits such purchase 5 years in advance of construction, be increased to 7 or 8 years.

Mr. ROTHSCHILD. I do not think we would oppose that, Mr. Cramer.

Mr. CRAMER. Have you any objection to that?

Mr. ROTHSCHILD. I do not think so.

Mr. CRAMER. I have introduced a bill to that effect, and they have indicated to me they are hampered in right-of-way purchases because they are not certain of construction in a 5-year period, and if it were extended 2 or 3 years, it would give them more leeway.

You have no objection to that?

Mr. ROTHSCHILD. I have no objection to that.

Mr. FALLON. Mr. Brown.

Mr. BROWN. Mr. Secretary, do you feel that the net effect of the act of 1956, the Highway Act, as far as the Interstate System is concerned, was to say that we want a National System of Interstate and Defense Highways, based more on where we need the new roads than on equity to each individual State?

Mr. ROTHSCHILD. Mr. Brown, I think it was just as clear as crystal that the Congress meant there to be a completely integrated Interstate System. I think that is just as clear as a bell.

Mr. BROWN. In other words, the primary concern was not necessarily 100 percent equity to each State involved. The States said, "We recognize the need for this, and we may have to give up a few things, but we still want the roads."

Do you feel that was the overall effect of it?

Mr. ROTHSCHILD. I feel that the Congress said, and said it very firmly, "We need to connect by a system of highways, suitable and adequate for use in 1975"—and this is the first time that the future concept was ever put into highway legislation—"a system of highways which would connect the principal points in the United States, and would thereby make a vast contribution to the commerce of the country, and make it possible for us to defend ourselves more adequately."

Mr. BROWN. Now also in that act Congress apparently wrote in—and this happened before I got to the Congress—an intent and policy to determine whether or not the Federal Government should equitably reimburse any State for a portion of the highway which is on the Interstate System.

Now they just intended to look at it, and decide whether they should reimburse. Is that the way you interpret the language?

Mr. ROTHSCHILD. I think that is right, and I think that is probably what is being done today.

Mr. BROWN. Is it your recommendation, Mr. Secretary, that we defer that and look at it some more?

Mr. ROTHSCHILD. Yes, sir.

Mr. BROWN. Do you have any recommendation on when would be a good time to face up to this decision and decide it?

Mr. ROTHSCHILD. Well, perhaps I can state it in dollars if not in years. When we were offering testimony before this committee which led to the 1956 act, everyone was proceeding on the basis that it would cost \$27 billion to build the Interstate System.

It now looks like it will cost about \$40 billion.

Accompanying the authorizing part of the legislation there was also a part of the bill which made it possible to finance the smaller figure which we originally started with. At the present time, it is felt by the President and by many Members of Congress that we should try to get the highway construction program back as close to the original estimate as possible.

That will require a great deal more money than is currently in sight.

Now reimbursement, if added to that already substantial shortage, would add, as I indicated a few minutes ago, another \$4¼ billion to that minus position. We think that we had better have a better idea of what this thing is going to cost and how it is going to be paid for as it stands today before we tack anything more onto it.

Mr. BROWN. In other words, stated very simply and, probably too simply, we had better see whether we can pay for the ham before we ask for the ham and eggs; is that it?

Mr. ROTHSCHILD. I would think that would be a good way of saying it.

Mr. BROWN. Thank you, Mr. Chairman.

Mr. SCHERER. Mr. Chairman?

Mr. FALLON. Mr. Scherer.

Mr. SCHERER. Would you be willing to recommend that Congress adopt some program or formula for reimbursement, say, after the completion of the 41,000 miles before we start to build the additional 7,000 miles of Interstate System as now being recommended in the Senate? Do you get the import of my question?

Mr. ROTHSCHILD. Yes; indeed, I do.

Mr. SCHERER. That we get in line for reimbursement before we get some political designation of the additional Interstate System. That is, these States that have built toll roads are not going to have to wait to the bitter end.

Mr. ROTHSCHILD. I would like to have the privilege of thinking about that for a while before answering it.

Mr. BROWN. Will the gentleman yield?

Mr. SCHERER. Yes; but I want it back.

Mr. BROWN. How many years are we talking about before that could take effect? How long will it take to build this \$40 billion worth of Interstate System, Mr. Secretary?

Mr. ROTHSCHILD. If the Byrd amendment continues to prevail, we estimate it will take something in the neighborhood of 22 years. If some modification of that program is enacted, then a shorter period of time will be involved.

Mr. SCHERER. You said in the earlier part of your testimony if some reimbursement is given to the States at this time it is going to retard

the Interstate System, and we all have to agree with that on the surface.

Would the program be any more retarded than it would have been had not some of these toll roads been incorporated in the Interstate System?

Actually, you are not retarding the program insofar as Ohio is concerned, are you?

Mr. ROTHSCHILD. We are retarding the citizens of Ohio's opportunity to use a completely integrated system if we take this money out of our present plan and put it into any other plan.

Mr. SCHERER. That doesn't answer my question.

You said that if we provide some formula of reimbursement at this time, and on the face of it that is true.

My question is: Would we retard this program any more had we not added to the Interstate System or made part of the Interstate System a toll road instead of being required to build that equivalent amount of mileage as was originally contemplated in the original program?

Mr. ROTHSCHILD. Your question, I believe, runs this way, sir: Suppose we had not included the toll and free roads which were built in the Interstate System and had been compelled to build a duplicate facility, is that correct? Would the inclusion of the toll roads which are already built now delay the program any longer than the program would have been delayed had it been that much larger in the first instance?

Mr. SCHERER. That is right.

Mr. ROTHSCHILD. I think that is obvious, that "No" is the answer.

Mr. SCHERER. I wanted to make the point.

Let me point out that originally, and maybe I should address this question to Mr. Turner, originally when the 1956 act was passed, it was contemplated then we would build 1,300 miles of toll roads in the State of Ohio; is that right? One-thousand-three-hundred-plus?

Mr. TURNER. Some of that was included in the estimate; yes. I don't think it is 1,300 miles.

Mr. SCHERER. It was 1,300 miles plus. I know it was not exactly 1,300. And the cost of building the total system was based on the fact that you are going to have to pay for 1,300 miles of interstate highway in the State of Ohio.

Now, since those estimates were made and since we passed the bill, we have incorporated the Ohio toll road and made it part of the Interstate System so that now we will only have to build 1,043 miles of Interstate System in the State of Ohio.

Mr. TURNER. That is right.

Mr. SCHERER. Is that not correct?

Mr. TURNER. That is correct.

Mr. SCHWENGEL. Mr. Chairman?

Mr. FALLON. Mr. Schwengel.

Mr. SCHWENGEL. I would like to ask you, in view of the fact that our program is not going to be extended unless we find more money, have you thought about or would you give support to the idea of earmarking more money that could logically be designated for the trust funds so that we could proceed more rapidly even to the extent of finishing this job on schedule?

Mr. ROTHSCHILD. We have proposed that the Byrd amendment be set aside for 3 years and that a full authorization as established in the 1956 act would, therefore, become available for apportionment in 1960, 1961, and 1962.

Mr. SCHWENGEL. Would you in your position support a proposition of earmarking more money for the trust fund?

Mr. ROTHSCHILD. It would be up to the Congress to determine where the money is coming from, and I presume you have reference to existing excises.

Mr. SCHWENGEL. Yes.

Mr. ROTHSCHILD. That may be an inadequate question at the moment because there is a considerable movement on foot to wipe some of these excises.

Mr. SCHWENGEL. I know there is.

Mr. ROTHSCHILD. I don't know what our position would be on that. We have not been asked to develop one on that point.

Mr. SCHWENGEL. And you would not oppose the proposition?

Mr. ROTHSCHILD. I said I don't know what our position would be.

Mr. SCHWENGEL. That is all, Mr. Chairman.

Mr. FALLON. Are there any other questions?

Thank you very much, Mr. Rothschild.

Mr. ROTHSCHILD. Thank you, Mr. Chairman.

Mr. EDMONDSON. I would like to express my appreciation to Mr. Rothschild and Mr. Turner. I would like to thank you for throwing a great deal of light on this whole program today. We certainly appreciate it.

Mr. ROTHSCHILD. It was a pleasure to be with you.

Mr. FALLON. We will insert at this point a letter from the Missouri State Highway Commission, dated March 19, 1958.

(Letter referred to is as follows:)

MISSOURI STATE HIGHWAY COMMISSION,
Jefferson City, Mo., March 19, 1958.

Hon. W. R. HULL, Jr.,
Member of Congress,

House Office Building, Washington, D. C.

DEAR BILL: There are many bills being introduced in Congress at this time concerning the highway program, and I would like the privilege of writing you concerning my views. So, if I may have a few minutes of your time, I would like to call your attention to a few facts concerning the program.

The 1956 Federal Highway Act among other things provided that the Bureau of Public Roads and the States should make a new estimate of cost for the Interstate System. This estimate of cost has been made, and I believe accurately so. It places the cost of the 41,000-mile Interstate System at \$40 billion. It compares with the \$27½ billion figure which was the immediate prior estimate of cost. This means, of course, that the contemplated apportionment to the Interstate System in the 1956 act is not a sufficient amount to do the job within the specified time limit of 13 to 16 years. I know that our State is ready to build the Interstate System in Missouri in 13 years or less if the money were available. I feel that all States are in the same position approximately. I believe that the contractors, the materials producers, and the equipment dealers are all in a like position. So it seems highly desirable to me and most people that the Congress at this session put the financing of the program back on the schedule of 13 years or less.

In regard to the normal allocation of Federal-aid money which has been given to the States each year since 1916, I have felt that it was the intent of Congress when it passed the 1956 act to increase the allocation each year to the ABC system, or more specifically the primary, secondary or urban systems, in an amount of \$25 million per year. This is provided in a bill that has been

introduced in the Senate by Senator Chavez, and a bill that has been introduced in the House by Representative Fallon. In fact, I believe the House has passed Representative Fallon's bill and sent it to the Senate. I hope you will see fit to support both of these measures.

In addition, there is some talk about making some emergency money available for highway construction on account of the employment situation. I feel that this would be a good thing. However, at the same time, I do not think that the road program should be tied to the economy of the country. In other words, I don't think we should have more money in depression years and then less money in good times, as this would not provide for an efficient and economical method of building highways. I think our highway program should be on a continuing basis, either on a uniform amount of money each year or a continually increasing amount of money each year until our interstate program is completed.

Thanks for your many courtesies, and with kindest personal regards,

Yours very respectfully,

REX M. WHITTON, *Chief Engineer.*

Mr. FALLON. We have next as witnesses here today 3 or 4 Members of Congress, and I was wondering if we could not arrive at a time that we could allocate to each Member of the House, if we could find out what the desires are.

Would the Members of Congress come forward, please?

Mr. SPRINGER, how much time would you desire?

Mr. SPRINGER. I believe all I would have to say, plus the questions, wouldn't take over 15 minutes. I don't think.

Mr. FALLON. And you, Mr. Pillion?

Mr. PILLION. Mr. Chairman, you know New York State has a tremendous stake in this and I think there are something like 14 Members on one side of the aisle and 5 or 6 on the other who have expressed an interest in this and I wonder if it would be permissible if I could have a half hour or 25 minutes?

Mr. FALLON. Mr. Lane?

Mr. LANE. I would only take about 2 or 3 minutes, Mr. Chairman.

Mr. FALLON. We will take you first, Mr. Lane, in view of the shortness of your statement.

We have agreed to run until 4 o'clock. I think the only thing we can do would be to get Mr. Lane off with his 2 minutes and divide the remaining 30 minutes between the 3 Members that are here, unless 1 Member would like to come back tomorrow?

Mr. SPRINGER. I have been here all day, Mr. Chairman, and I would like to get out of the way very much.

Mr. FALLON. I am sorry I did not have anything to do with the agenda today. I had to take it as it was handed to me this morning. I tried to get things moving and on the track, but you know how committee hearings are.

Mr. DOOLEY. I know the amount of time that the New York delegation has put in on this, and I would suggest that we put it off until we can get ample time tomorrow.

Mr. FALLON. I hate to ask a man to come back tomorrow after he has been sitting here all day.

Mr. PILLION. I would be pleased to come back tomorrow rather than to rush a matter of this importance through in 5 or 10 minutes. I don't believe it would do justice to the problem so far as our State is concerned or so far as the committee is concerned.

Mr. FALLON. Would it be satisfactory to you if we made you the first witness tomorrow morning?

Mr. PILLION. I would be delighted.

Mr. FALLON. Mr. Lane, would you make your statement? I assume you want to submit your remarks for the record.

Mr. LANE. I do; yes.

Mr. FALLON. Please proceed.

STATEMENT OF HON. THOMAS J. LANE, UNITED STATES REPRESENTATIVE FROM THE STATE OF MASSACHUSETTS

Mr. LANE. Mr. Chairman and members of the Committee on Public Works, may I express to the committee my grateful appreciation for the opportunity to appear here before this committee on such an important matter this afternoon and to also thank your staff for their courtesy which they showed me in notifying me to come here and be one of the witnesses on this matter.

Mr. Chairman, some States, including Massachusetts, did not sit back and wait for a Federal-aid highway program to start rolling. They couldn't, because they were being slowly strangled by traffic congestion.

The Federal-Aid Highway Act of 1944 authorized a designation of a National System of Interstate Highways—

so located as to connect by routes, as direct as practicable, the principal metropolitan areas, cities, and industrial centers to serve the national defense—

all of which is known to this committee.

It established a preliminary limit of 40,000 miles for the system. Only 4,364 miles of interstate highways were allocated to urban or industrial areas as of November 1, 1957, and the remaining 33,998 miles were set aside for rural areas. Although long stretches of rural highways are needed to connect the metropolitan areas, this used up so much of the mileage provided that little was left to free the congestion in the heavily populated, industrial States.

Twelve years passed before the Federal-Aid Highway Act of 1956 authorized 90 percent Federal aid participation in the construction of the Interstate System. During the interim, millions of additional cars and trucks crowded onto the highways, fighting for space and time.

The industrial States could not wait. To avoid traffic paralysis, they had to go ahead. In the process, they lost out on the Federal aid—up to 90 percent that would be available to them, if they had deferred action.

For their courageous initiative in building the toll roads which are now providing great service to the public, and will expedite progress toward completion of the whole Interstate System, they have missed out on Federal aid. As the situation now stands, they are being penalized for leading the way.

Fair play requires that we amend the law to reimburse or otherwise compensate them for the initiative they demonstrated in relieving traffic congestion and in spurring progress on the National System of Interstate and Defense Highways.

Myself and other Congressmen representing the 26 States that would benefit from the provisions of such a bill are introducing companion bills, identical with H. R. 10422 that was submitted by Congressman Charles A. Buckley of New York, who is chairman of the Committee on Public Works.

It will implement the findings of the Clay committee which recommended that States which took the initiative and, on the most congested routes, built toll roads to meet the intent of Congress as expressed in section 7 of the Federal-Aid Highway Act of 1944, should be reimbursed or otherwise compensated.

The most practical way to do this would be to add 2,254 miles to the Interstate System in 26 States. Each State having a toll road on the Interstate System would be allotted equivalent mileage, also to be designated as part of this system, and thus be eligible for 90 percent Federal aid. Massachusetts ranks eighth among those "go-ahead" States. Its 123 miles of new toll-highway facilities, would be compensated for under the terms of this bill, to permit an extension of its highway modernization program, with 90 percent Federal aid.

Under these circumstances, the bill would increase the mileage of the National System to take care of the increased traffic load that could not be anticipated back in 1944. Such a program would also promote recovery from the present economic recession, by increasing employment and by stepping up demand for road construction equipment and materials.

Section 113 (a) would provide that—

In the case of any State having a toll road, bridge, or tunnel which is approved by the Secretary as a part of the Interstate System under section 113 (a) of this act before June 30, 1958, the Secretary shall, upon application by the State, designate as part of the Interstate System other routes within such States which are equal in mileage to the length of all such toll roads, bridges, and tunnels within such State.

Massachusetts, despite its tax burdens, has demonstrated genuine leadership in pushing forward on a highway modernization for the benefit of its industries and its people.

Amendment of the Federal-Aid Highway Act of 1956 will help to defray the costs of such enterprise by a compensation formula that will extend these improvements.

The net result will be a "choke-free" highway system suited to the defense needs and the economic progress of Massachusetts and the Nation.

I thank you, Mr. Chairman and members of the committee.

Mr. FALLON. Thank you, Mr. Lane.

Mr. Springer, would you like to be heard at this time?

STATEMENT OF HON. WILLIAM L. SPRINGER, UNITED STATES REPRESENTATIVE FROM THE STATE OF ILLINOIS

Mr. SPRINGER. I would like, without making a formal statement, to discuss some of the aspects of the program as it struck me during the intervening time since the bill was passed.

I think if you were to ask today any Congressman who is not on this committee and who has not followed this as intensively as I have how many miles we are paying for out of the Federal Treasury from the trust fund, I think every single Congressman would tell you 40,000 miles. This has not been an intentional deception on the part of the committee or on the part of anyone connected with it, that I know of.

I was interested in this program long before it was proposed, and I was present, I think, practically all the time that this matter was under debate in the committee but never at any time did I come to

the conclusion as a result of the evidence and the testimony I heard that the Federal Government was constructing less than 40,000 miles of roadway. Whether this is a deception or not, we are only talking about 37,247 miles, and that is all.

Now, it just appeared to me that somewhere along the line we have misinformed the Members of this Congress as to what we are doing. Now we come along and say, and I found this out a year later, and this was a year after the bill had been already passed, because I found out we were incorporating 2,254 miles of toll roads or free roads which had been constructed or projected as those in Ohio and Illinois and Indiana and some other States, and they were not being paid for by the Federal Government at all.

Now we come to the question, of course, of reimbursement, and it appears to me that if anything is going to be fair out of that, that there should be some kind of reimbursement. Now, the part I would like to support is reimbursement in mileage. I am not objecting to the Scherer bill or any other bill for reimbursement in the form of money or, as proposed by the Secretary a moment ago. If you do not reimburse, you are certainly not helping the States who had gone ahead and set examples because of traffic conditions or safety and who had gone ahead and constructed these 2,254 miles. You can say what you wish about how that has come from tax money or road money or toll money—they did it and it is that State's mileage. No one else constructed it.

Some toll-road commission made it available so that 47 other States could use it. It is their mileage. Now, you are taking their mileage and saying we are incorporating it into the system. You haven't given them any advantage. You are not going to support it. The State, itself, is going to support the total mileage after it is already built.

So, in fairness, it seems to me there ought to be some type of reimbursement to those States which have gone ahead and actually constructed a part of the Interstate System and have paid for it out of their funds or they have gotten the funds and decided to pay for it.

Mr. FALLON. I guess you realize, of course, that none of these States have lost any money up to this time because the formula used is not mileage or need. They use the formula the same as the ABC. They were allocated money under the ABC formula.

Mr. SPRINGER. I am sorry. I don't understand, Mr. Chairman. I did not get what you said.

Mr. FALLON. No State under the formula that has been used for the past 2 years—it is the same formula that is used under the ABC system and that is mileage, area, and population. It has no relationship to the Interstate System.

Mr. SPRINGER. I realize that, but I think the Chairman will realize that those toll roads which were constructed were constructed in areas where a toll road would have gone. Every one of them in our State, in the State of Illinois, would have been a toll road if we had not done it.

Mr. FALLON. That had no bearing on the formula.

Mr. SPRINGER. I agree it has nothing to do with the formula, but I think that reimbursement is the fair, equitable proposition.

Mr. SCHERER. Mr. Chairman?

Mr. FALLON. Mr. Sherer.

Mr. SCHERER. From now on, however, distribution of funds will be on the basis of need to build and complete the Interstate System, as originally planned.

Mr. FALLON. That is true but, up to the present time, no State has lost any money at all.

Mr. SPRINGER. I would like to emphasize these 2 or 3 points as my purpose in being here.

I haven't found anybody whom I have talked to in this Congress or in this committee or in the Congress, itself, who visualized that this 41,000 miles in the next 13 or 22 years, whichever one you want to take, is going to be the completion number. If it be 22 years, there is not going to be mileage added to that which is existing at the present time.

Now, after having talked to another member here, there was mention made of the fact that in 13 years everything that could be anticipated would be the 7,500 miles. Certainly, that should be integrated into the system now and not 5 or 15 or 22 years from now, but right now, because I think that we would get the greatest benefits from an integrated program at this time. Now, this would add only 2,250 miles.

Mr. SCHERER. Don't you feel before we add any mileage to the present 41,000 miles that some provision should be made for the reimbursement of those States that have toll mileage in the 41,000 miles?

Mr. SPRINGER. Yes; I do.

Mr. SCHERER. Whether it comes now or at the end of the program.

Mr. SPRINGER. I agree with the gentleman on that. I do believe, on the other hand, that merely saying we ought to go ahead and construct—and I know the members of the committee have been doing that and some of the people in the administration think we ought to go ahead and do it, but I think we should talk about a complete system which would take in virtually all we need when you talk about 41,000 miles.

Now, several years ago, Governor Green in Illinois was one of the greatest supporters at that time of this highway plan, and when you talk about 41,000 miles, it could be any figure. It could be 30,000 miles or 50,000 miles. It seems to me that there ought to be something in this that is realistic, that this is the mileage that we need. I think anybody in the administration will tell you that this is not all the mileage that we need. They won't come forward and say the mileage, that 41,000 miles is all that is needed. If you survey the mileage that was turned down, there was at least between 2,000 and 4,000 miles that ought to be turned down without any question.

Mr. FALLON. There is the mileage now that should be built because the traffic is there.

Mr. SPRINGER. That is correct.

Mr. FALLON. Before we add any additional mileage?

Mr. SPRINGER. I think the gentleman made a statement which I can agree with, and that is the mileage which ought to be built by virtue of the fact that you have the traffic or you have got the system.

Mr. SCHERER. If you are going to start adding mileage to the interstate route, you will get some political allocation of that mileage and, as a result of pressure, you will build some additional mileage which should not be built before mileage now in the program is built and where a great priority of need exists.

Mr. SPRINGER. Ask the gentleman did he examine the 2,000 miles which was allocated last September. Would he say there was no political mileage in that?

Mr. SCHERER. I would say there is a lot.

Mr. SPRINGER. My point is that I do believe that there is considerable mileage that ought to be added which can truthfully be based upon either the need for it because of traffic or for safety factors.

My last point is actual construction. In the State of Illinois, may I say, and I have listened with interest to the Secretary this afternoon on the question of financing, but we have had no trouble in my own particular community of Champaign-Urbana. We built 3½ miles of overheads and finished it within the last 30 days. We are ready to go ahead at this intersection where two of the main highways of the country will cross. We are ready to go ahead now. Some of the States have legislatures which did not meet at the time, but all those States who sat were willing to cooperate. There are some handicaps. I think the chairman is aware of the fact that in 1960 we will be roughly \$1.3 billion short, by the year 1960. But the money for the years 1958 and 1959 is available.

I cannot visualize that you will finish this highway on the trust fund as it is established. In 1960, you are going to be \$1 billion to \$1.3 billion short on this. You will have to add an appropriation or repeal the Byrd amendment.

Mr. SCHERER. It will cost \$10 billion more than originally estimated.

Mr. SPRINGER. My own impression is to face up to it and have a general appropriation out of the fund rather than to repeal the Byrd amendment.

For instance, we could build 70 miles without any trouble around my own community tomorrow. The land is purchased and the right of way is purchased, and there is a program which we could accelerate now.

Mr. Chairman, that is my statement. Thank you very much.

Mr. BALDWIN. Mr. Chairman?

Mr. FALLON. Mr. Baldwin.

Mr. BALDWIN. The first part of your statement, Mr. Springer, was premised on the theory that everybody intended that the Federal Government pay 90 percent of every mile in the Interstate System. I don't know a single case from the time the Interstate System was established where that was true. In the State of California, there has not been a year where the State of California, has not with its own funds built mileage on the Interstate System and in this current year they are spending over \$100 million beyond that of the matching funds of the Federal Government, and I don't think it has ever been spelled out in any bill through the present time that Congress was obligated to pay 90 percent of every mile. The only commitment we made was that we would end up with an Interstate Highway System that connected certain key points throughout the States. Your State could go ahead and build as California is doing.

Mr. SPRINGER. I agree with the gentleman, of course, but it was certainly the impression of people in Congress that you were building 40,000 miles. I don't believe anybody would dispute that. You can talk with any Congressman who is not familiar with this and follows it like I have, but the two Congressmen that I talked to this morning said 40,000 miles.

Mr. BALDWIN. We will end up with a system of 40,000 miles but we have never committed the Federal Government to pay 90 percent of the roads.

Mr. SPRINGER. I was talking of the impression that most of the Congressmen are under that we are paying for 40,000 miles.

Mr. SCHERER. Mr. Chairman?

Mr. FALLON. Mr. Scherer.

Mr. SCHERER. That is what the law says and that is it.

Mr. BALDWIN. Will you quote any law that says the Federal Government has to pay 90 percent of the Interstate System?

Mr. SPRINGER. I will say that I read the proceedings and the debates on this particular point and you could not read that without the impression being created, and I did it recently, and you will find that certainly the impression is that we are paying for 40,000 miles.

I will say this. That if you sit down and examine the legislation, no, it doesn't say that.

Mr. SCHERER. I said pay 90 percent of the Interstate mileage.

Mr. WRIGHT. Mr. Chairman?

Mr. FALLON. Mr. Wright.

Mr. WRIGHT. It was my impression and I think the impression of a good many, and the impression has unwittingly been conveyed to our constituents, that we were proposing to build under the law of 1956 this 40,000 miles, and later it became 41,000 miles. I wonder if the gentleman is familiar with the manner in which that thing got changed and in which section 113 (a) was inserted into the bill, thereby giving rise to this present situation?

Mr. SPRINGER. Would the gentleman recall section 113 (a) to me?

Mr. WRIGHT. It is the one which authorizes the approval of the toll roads and bridges but makes the provision that we shall not pay any money out of the highway fund for them. It came in in the conference committee. It was never a part of the bill as it passed the House.

I daresay that 95 percent of the Members of the House, at least at the time the conference committee report was approved, had no conception that this provision was in the bill. I read to you excerpts from this provision which was inserted in the conference committee and which has given rise to this situation:

Upon a finding by the Secretary of Commerce that such action will promote the development of an integrated Interstate System, the Secretary is authorized to approve as part of the Interstate System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on the Interstate System, whenever such toll road, bridge, or tunnel is located on a route heretofore or hereafter designated as a part of the Interstate System: *Provided*, That no Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll road except to the extent hereafter permitted by law—

Which, to my way of thinking, is a gimmick, a hidden bit of legislation that came before us in a surreptitious fashion and which has given rise to our problem.

Mr. SPRINGER. I only read the debate on the bill but I am sure there is nothing in the bill indicating section 113 (a) being in it at that time. I did not read the record of the conference committee so I am not familiar with what the gentleman said with reference to when it was finally put in the bill.

Mr. WRIGHT. Let me ask the gentleman this question: Did the highway department of your State have the impression that they were going to be reimbursed when they certified this toll road mileage for inclusion in the Interstate System?

Mr. SPRINGER. I don't recall. I discussed it both with the Governor and the State Highway Engineer. They said they wanted it. That is the principal thing.

Mr. WRIGHT. I yield to the gentleman.

Mr. SCHERER. That was put in the conference report because of the assumption on the part of the members of this committee that eventually there would be some reimbursement for the part made part of the Interstate System.

Mr. SPRINGER. That is all I have, Mr. Chairman, and I thank the chairman for your courtesy.

Mr. FALLON. Thank you very much.

Gentlemen, there is a call of the House and I think it is a rollcall on the final passage of the bill.

Mr. MAY. Perhaps I should save the committee some time. My statement was to reemphasize the bill and I have joined in H. R. 11365 and in Senator Bush's bill, which is S. 3429.

He gave excellent testimony this morning and I think if I submit my statement to the committee that it will serve the purpose and just reemphasize what he said this morning.

Mr. FALLON. If there is no objection, it is so ordered and your statement will be made a part of the record.

(Prepared statement of Congressman Edwin H. May, Jr., is as follows:)

STATEMENT BY HON. EDWIN H. MAY, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT, URGING REIMBURSEMENT TO THE STATES FOR CERTAIN FREE OR TOLL ROADS ON THE INTERSTATE SYSTEM

Mr. Chairman, and members of the committee, I deeply appreciate this opportunity to testify in behalf of H. R. 11365, which I introduced in the House of Representatives on March 12, 1958. This bill is a companion to S. 3429, introduced by the distinguished Senator from Connecticut, Prescott Bush, and cosponsored by Senators Purtell, of Connecticut and Ives, of New York.

H. R. 11365 would authorize reimbursement to the States for certain free or toll roads in the Interstate System, but, before I discuss the bill in some detail, I should like to present the committee with my views on why reimbursement legislation is necessary at this time.

With the passage of the Federal Aid Highway Act of 1956, the Congress of the United States gave much-needed impetus and coordination to the construction of a vast Interstate Highway System. Our rapidly expanding population and economy, as well as our requirements for national defense, clearly demonstrate the urgency for implementation of this program. One conference after another on our National Highway System has shown that large cities as well as areas or regions of considerable size suffer economically if transportation of goods and services is rendered inefficient because of antiquated systems of highways. Again and again, stress is placed upon the importance of a sound highway construction program to the safety of those who use the highways. Inadequately designed, poorly constructed and improperly maintained highways are undoubtedly one of the major causes of our mounting toll of traffic fatalities, and damage to physical properties amounting to millions and millions of dollars annually.

The number of service and pleasure vehicles will increase manyfold over the next few years, and it is indeed incumbent upon Members of Congress, along with the State legislatures and municipal governments, to realize the necessity for well-planned coordination on the part of the Federal Government, the State governments, and the municipalities of a highway system which takes into consideration all aspects of interstate, State, and municipal responsibilities.

Prior to the Federal Aid Highway Act, many States took the initiative and had the foresight to initiate and complete construction of highways, both free and toll, which meet the standards of the act and which have been financed out of State funds or as toll roads. Many of these fine highways today are incorporated as an integral part of the interstate transportation system and thus constitute an enormous contribution on the part of the various States. Had these State governments not had the foresight to undertake highway construction programs of this nature, it would today be necessary for the Federal Government to finance their construction at this time, very possibly on a higher cost basis under the present formula of 90 percent contribution in Federal funds with 10 percent State matching. There is little question but that these programs constituted a considerable drain upon the resources of the individual States involved. This is important for our consideration at this time, because our States today must undertake the responsibility for increasing and improving State highway facilities and aid their urban communities in a program of coordination that will make our overall highway program practical and serviceable.

In my opinion, it is unfortunate that the Congress did not include in the Federal Highway Act reimbursement to the States which constructed sections of the Interstate System on their own. There are before this committee today three basic approaches intended to correct this omission. The first two I shall not discuss in detail, as you will undoubtedly receive testimony from their sponsors, Chairman Buckley (H. R. 10422), and Representative Scherer (H. R. 10921). Suffice it to say that these two proposals deal explicitly with the reimbursement for toll roads, bridges, and tunnels which have been made a part of the Interstate System.

It is my belief that, in all fairness to the States, free roads which have become a part of the Interstate System should be included for reimbursement. Essentially, H. R. 11365 would accomplish the following:

1. The Federal Government shall be required to reimburse the States for highways that meet the standards of the Federal Aid Highway Act of 1956, either free or toll, which are incorporated into the Interstate System.
2. The Secretary of Commerce would be authorized to provide reimbursement upon his determination that the highways meet interstate standards.
3. Initiation of the request for reimbursement must come from the States themselves. Reimbursement shall be limited to the cost of the highway less depreciation, and the total amount of any Federal funds contributed to construction. In the case of toll highways, reimbursement would be further reduced by deductions for the cost of all auxiliary facilities needed for toll operation.
4. States would be permitted to use reimbursement funds for construction of projects in the Federal-aid systems lying within their borders without requirement of State matching funds.

At this time, I should like to respectfully suggest that, should the committee deem it desirable to report out H. R. 11365, it would be my hope that the changes proposed by Senator Bush in his amendment to S. 3414 would be incorporated. I refer specifically to the change suggested by Senator Bush to the effect that priority be given to construction of projects on highways which connect with the Interstate System and also that the 5-year period suggested in the bill be extended to July 1, 1972.

I should like to lay stress upon two important approaches which are embodied in H. R. 11365. This bill continues the sound Federal policy of limiting the funds to the cost of the highway less depreciation and less the total amount of Federal funds required for this construction. Moreover, in my opinion it is most important that the free roads constructed by the States and now a part of the Interstate Highway System be included. It seems to me that under this proposal, all of the 48 States would benefit more fairly, for the simple reason that there is a great degree of variance in the programs as to the proportion of toll roads to free roads. No State should be penalized for the reason that they chose to construct free rather than toll roads.

The cost of construction of highways in Connecticut now included in the Interstate System has indeed been considerable. It amounts to approximately \$326.6 million when depreciation has been deducted. Reimbursement today

would bring the State, over the period of time prescribed by this bill, \$278.5 million. When you consider that these funds could be reapportioned by the State to its own highway problems without additional matching funds, it would unquestionably be a great shot in the arm for the State highway program.

I should like to stress, Mr. Chairman, that this Interstate Highway System can only meet its maximum designed efficiency if the State highway systems of the respective States are also laid out, constructed, and maintained in an efficient manner. This, of course, also applies to urban-route connections.

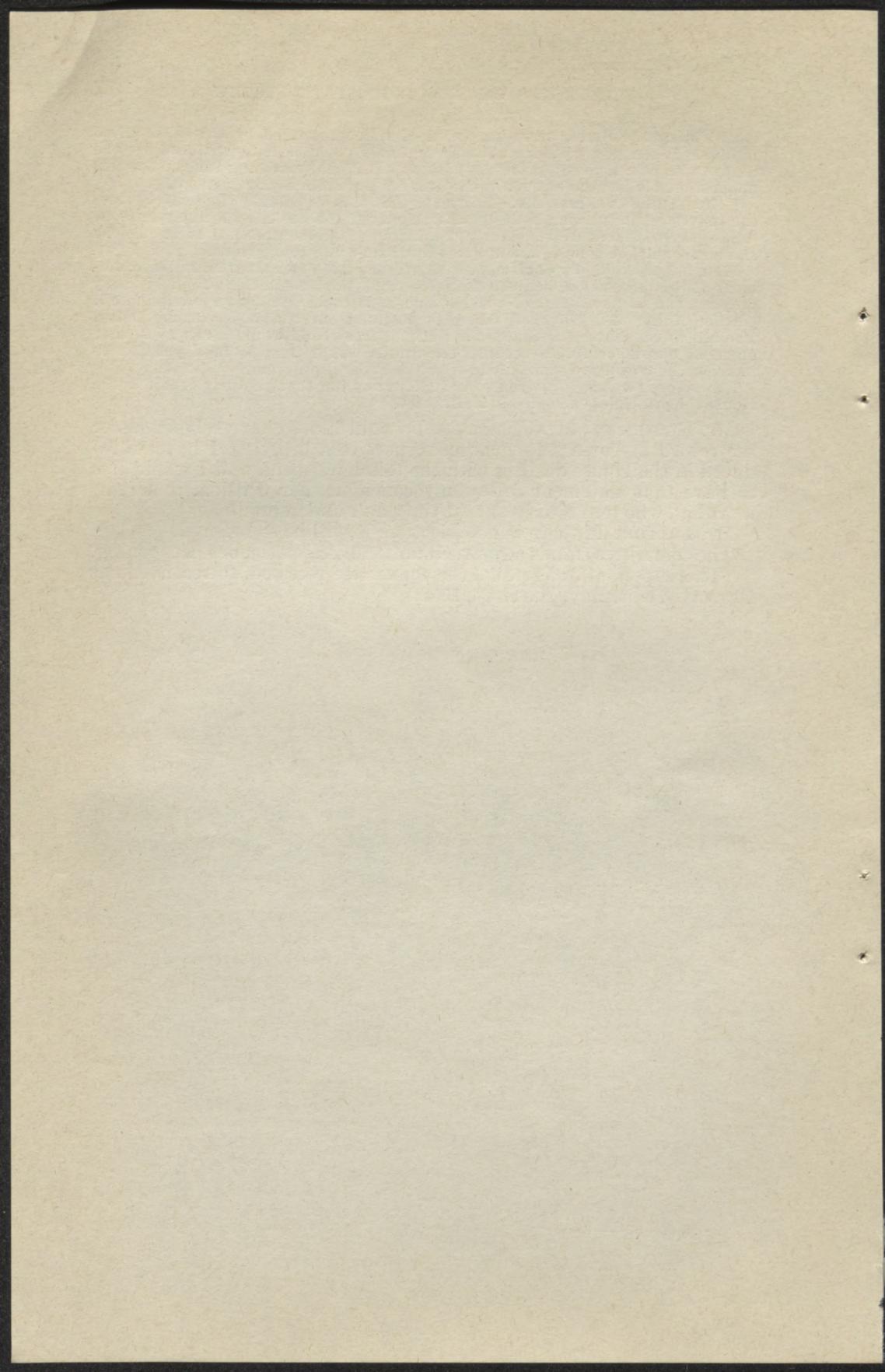
We must proceed, Mr. Chairman, with urgency and determination in the enactment of this legislation, because the more rapid implementation of our highway program can be one factor of considerable importance in helping to eliminate a portion of the unemployment which is plaguing our Nation's economy today. The bill to reimburse the States for toll and free roads would serve to further augment our labor forces because the States would then be in a position to increase their own programs along with the Federal program.

I therefore strongly urge you to include in any bill that you may report to the House the principles embodied in H. R. 11365.

Mr. RIEHLMAN. Mr. Chairman, I would like to have submitted for the record my own statement in respect to a bill that I have introduced in the House dealing with the reimbursement, and I would like to have that statement follow my colleague, Mr. Pillion, tomorrow morning, who will testify at that time, as I understand.

Mr. FALLON. If there is no objection, it will be so ordered.

The committee stands adjourned until 10 o'clock tomorrow morning. (Thereupon, at 3:54 p. m., the committee recessed, to reconvene at 10 a. m., Wednesday, March 26, 1958.)



REIMBURSEMENT OF TOLL OR FREE ROADS ON THE INTERSTATE SYSTEM

WEDNESDAY, MARCH 26, 1958

HOUSE OF REPRESENTATIVES,
COMMITTEE ON PUBLIC WORKS,
Washington, D. C.

The committee met, pursuant to call, in room 1302, New House Office Building, at 10:15 a. m., Hon. George H. Fallon presiding.

Mr. FALLON. Ladies and gentlemen, the Committee on Public Works is meeting this morning for the continuation of hearings on reimbursement for toll roads, specifically H. R. 10422.

Our first witness this morning is Congressman Pillion, from the great State of New York. Congressman, we want to apologize for the delay in keeping you here yesterday, and we also appreciate your patience. As you can see and realize from the questioning, it became rather lengthy yesterday. It was almost impossible to regulate the time.

So, on behalf of the committee, Mr. Pillion, let me say we appreciate your patience and your kindness in returning here this morning.

STATEMENT OF HON. JOHN R. PILLION, MEMBER OF CONGRESS FROM THE STATE OF NEW YORK

Mr. PILLION. Mr. Chairman and gentlemen, I would like to state I am most appreciative to the committee for making this time available. My office received a call yesterday from the office of Congressman Radwan, of Buffalo, who is convalescing after a serious illness. He asked me to state to the committee his approval of the principle of reimbursement as stated in the bill that I introduced, and also asked that I state to the committee that he intends to introduce an identical bill.

I also have a letter here from Congressman John H. Ray, of New York, generally stating his approval of the reimbursement principle, and I ask that this letter be included in the record.

I also have a telegram received from Charles P. Penney, chairman of the municipal affairs committee of the Buffalo Chamber of Commerce, expressing in general their approval of the principle of reimbursement to New York State and other States similarly situated, with respect to toll roads and free highways built prior to 1957 on the Interstate System.

Mr. FALLON. Without objection, those documents may be included in the record at this point.

(The documents referred to are as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 20, 1958.

Hon. JOHN R. PILLION,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: I have today introduced a duplicate of your bill to amend the Federal-Aid Highway Act of 1956. I have also read and studied the statement you propose to make in support of that bill when you appear before the Public Works Committee next week.

Since I agree with what you say and have no additional facts to present to the committee, I will ask you to present this letter to the committee and request that it be made a part of the record immediately after your statement.

Sincerely yours,

JOHN H. RAY, *Member of Congress.*

BUFFALO, N. Y., *March 24, 1958.*

Representative JOHN R. PILLION,
House Office Building, Washington, D. C.:

In supporting your bill calling for 90 percent reimbursement of Federal funds for modern highways already constructed in New York State, we respectfully request that you personally make our position known before House Public Works Committee at its hearing tomorrow. This State should not be penalized in favor of backward States for its progressiveness in recent years in building the throughway without participation of the Federal Government. For instance, there are approximately 90 miles of throughway costing nearly \$100 million in this heavily populated and industrialized area which should be accepted as part of the Interstate Highway System and thereby qualify for reimbursement. If money already invested in the throughway were to be refunded it would permit prompt financing and construction of other long-planned and urgently needed highways to serve this expanding area. These funds would also prove a substantial boost to the local economy at this time when there is idle manpower and an abundance of materials.

CHARLES P. PENNEY,
Chairman, Municipal Affairs Committee,
Buffalo Chamber of Commerce.

Mr. PILLION. Mr. Chairman and gentlemen of this committee, I am thankful to the members of this committee for the privilege of appearing here today.

There are a number of bills before this committee providing for highway reimbursement to States. I have had an opportunity to read only 2 of these bills—1 introduced by the distinguished chairman of this committee, Mr. Buckley, H. R. 10422, and the other introduced by the distinguished gentleman from Ohio, Mr. Scherer, H. R. 10921. The bill introduced by myself is H. R. 11533.

I would first like to state my approval and support for the general principle of reimbursement provided for in these bills.

The Federal Highway Act of 1956 contained a policy statement of intent—to determine whether the Federal Government should equitably reimburse the 48 States for toll or free highways constructed between August 2, 1947, and June 30, 1957.

The settlement of this policy problem appears to involve three major questions:

First, whether or not the problem of reimbursement is economically sound and politically feasible.

Second, what is an equitable formula of apportionment?

Third, the time and method of reimbursement.

SHALL CONGRESS REIMBURSE STATES FOR INTERSTATE HIGHWAYS CON-
STRUCTED BETWEEN AUGUST 2, 1947, AND JUNE 30, 1957?

The first question of whether or not reimbursement should be made ought to be based upon the principle of what is the best for the greatest number of people.

The Interstate Highway System was authorized in 1944. The allocation of interstate routes and mileage was substantially approved, I believe, in 1947. The Highway Act financing the Interstate System was passed by Congress in 1956.

There was a delay of 12 years between the authorization by Congress and the enactment of the necessary legislation. The States could not wait for Congress to act. Parts of the Interstate System just had to be built in order to relieve traffic congestion in the more populated areas.

In New York State, the financing of the throughway was a most controversial and complex job. I recall that very well because I was a member of the New York State Legislature when this highway was authorized and also when the toll legislation was enacted. There was no other possible means of financing this construction.

It is not a case of the States acting prematurely or jumping the gun. Actually, today's problem of reimbursement arises from the lag and failure on the part of the Federal Government to enact this vital legislation some years before 1956.

Certainly, the States ought not to be penalized for constructing the officially federally approved interstate mileage by whatever means were politically practical and financially feasible.

These roads were constructed by the States where they were most needed and where they gave the greatest economic return for the dollar. They best serve the principle of the greatest good for the greatest number.

H. Doc. 301 contains the data requested by Congress and furnished by the Commerce Department relative to reimbursement. The last page, table A-5c, lists the following States with investments of more than \$100 million each on the Interstate System:

	<i>Million</i>		<i>Million</i>
California -----	\$379	New Jersey -----	\$356
Connecticut -----	326	New York -----	1,036
Illinois -----	550	Ohio -----	300
Indiana -----	180	Oklahoma -----	101
Kansas -----	109	Oregon -----	106
Maryland -----	165	Pennsylvania -----	432
Massachusetts -----	292	Texas -----	285
Michigan -----	283	Virginia -----	123
Missouri -----	113		

It can be readily seen that these States are not necessarily those with the largest areas. They are the States with the dense populations and the more acute traffic congestions. The pattern of expenditures generally follows their pressing needs for the interstate mileage which they constructed and which they could not wait for.

The argument has been advanced against toll-road reimbursement on the theory that these roads are being paid for by the users rather than the States. This argument is wholly misleading. Actually, the State and its people are not separate identities. The State is merely a political agency of its people. The toll roads are paid for primarily

by the inhabitants of States who use them. The interstate traffic pays only a small fraction of the tolls in any States. They do so voluntarily because it is more economic to use the toll roads and pay the toll than to use the free highways. In New York State, for example, Route 5 and Route 20 both parallel the thruway, and at a distance of no more than 50 miles between the 3 highways—50 to 75 miles.

So any user has a choice of using either freeway or toll road. Those who use the toll road do so because there is a benefit to them. It would be different and there would be some substance to the argument that reimbursement should not be made for toll roads if the toll roads were the only roads a user could use. But here the interstate or out-of-State traffic uses the toll roads because it is a distinct benefit for them to pay the toll. In some instances the payment of \$5, especially in the case of trucks, could well save the user \$50 to \$75 by the use of that toll road.

Instead of the interstate users paying for the toll highways, the States who constructed them are furnishing a service which the users voluntarily pay for because it is an economic benefit.

No figures of mileage use of toll highways is available for interstate and intrastate traffic. However, the average trip length on the New York State Thruway for passenger cars is about 42 miles and for commercial vehicles is about 86 miles. The New York State Thruway is 500 miles long.

It is my best estimate that the intrastate mileage on the New York State Thruway is about 75 to 85 percent of all traffic. Reimbursement should not be denied on the false assumption that toll roads are paid for by interstate traffic and the States are being unjustly enriched.

Actually, the interstate map mileage was obsolete and outdated in 1956 when the Highway Act was passed. Out of an estimated cost of \$27 billion, almost \$6 billion had been expended by the States with some Federal aid. Congress can bring the Interstate System into alignment with present-day facts by allowing substitute miles for those already built on the Interstate System.

It is contended by some sources that increased mileage will preclude the conclusion of the program in 13 years. It is already admitted that the program will require 16 to 20 years for completion. In fact, yesterday Mr. Rothschild, as I recollect, testified that his estimate of the time for completion is now 22 years.

I am certain that this program will never be completed. By the time the present roads are constructed, new ones will be needed.

The inclusion of substitute reimbursed mileage will not slow down this road program. It will realistically enlarge the program. The mileages to be built will depend not upon the miles that we place on the interstate map, but upon the moneys we make available for this program.

What is going to build our roads will be funds, and not the mileage we may put on the interstate program today or tomorrow.

Those States that have built on the Interstate System are the pioneers. They have proven the practicality and the need for these limited-access highways.

This committee and the House of Representatives both approved the principle of reimbursement for both free and toll highways in 1956.

The conference committee report states:

The House bill declared the policy of Congress to equitably reimburse the States for both toll and free highways. The House also declares the policy of providing funds for reimbursement.

That was in 1956 by this committee.

The Clay report, specifically, and President Eisenhower, by implication, both approved this principle of reimbursement.

The Hoover Report of June 1955 also recommended the designation of both toll and free roads on the Interstate System.

WHAT IS AN EQUITABLE FORMULA OF APPORTIONMENT?

In formulating an equitable formula of apportionment, I respectfully urge this committee to report a bill that will allow substitute mileage for the depreciated costs contained in document 301.

The depreciated costs of both toll and free highways is \$6,095 million. At 90 percent reimbursement, the substitute mileage, less Federal aid, would cost the Federal Government \$4.47 billion. This represents an extension of 2 years for the completion of an enlarged program, with more mileage. Of course, the mileage to be built will depend purely on the funds we make available to the States.

The most equitable formula for apportionment is one based on population, per capita basis. The more populous centers have high costs of rights-of-way and construction. Their roads have more concentrated usage and give the maximum economic return.

Due to popular political pressures upon the Senate, I realize that this formula is not politically practical.

Certainly, the more populous States ought to have at least those sums which they pay into the highway trust fund. According to the table of the Bureau of Roads, New York State paid 6.64 percent into this trust fund for the period from July 1, 1956, to January 1, 1958. If the present formula is continued without reimbursement, New York State will only receive 4.95 percent of the highway funds beginning with fiscal year 1960 until the end of the program. It would be a travesty of justice and an economic imposition to return to 10 percent of this country's population only 4.95 percent of the interstate funds.

The very minimum that the more populous States should receive is the amount paid into the trust fund by their citizens.

TIME AND METHOD OF REIMBURSEMENT

I ask that reimbursement for both free and toll highways be made in substitute miles as extensions or additions to the present Interstate System. H. R. 11533 would add approximately 3,000 miles to the Interstate System. The cost of \$4.47 billion would be included in the estimates of costs for the whole of the Interstate System. The apportionments would be placed upon an equal footing with present costs of the Interstate System beginning in fiscal 1960.

It has been suggested that reimbursement for these highways be made at the conclusion of the present program. I offer for inclusion in the record a table of construction indexes for the years 1944 to 1957.

This was prepared by the Library of Congress. This listing of indexes, Mr. Chairman, runs from 1944 to 1957, and gives the cost of

construction for each of the years by 5 or 6 different sources, such as the American Appraisal Co., the Engineering News Record, the Department of Commerce, et cetera.

Mr. FALLON. Without objection, the table may be made a part of the record at this point.

(The table referred to is as follows:)

Construction cost indexes

[1947-49=100]

Compiler and coverage	Annual averages						
	1944	1945	1946	1947	1948	1949	1950
American Appraisal Co.....	56.0	58.0	69.0	92.0	104.0	104.0	106.0
Associated General Contractors.....	69.0	71.0	80.0	92.0	103.0	106.0	110.0
E. H. Boeckh & Associates (20-city average):							
Residences.....	65.4	70.1	77.0	93.2	104.8	102.1	107.7
Apartments, hotels, office buildings.....	67.0	71.3	78.0	91.7	103.5	104.8	109.6
Commercial and factory buildings.....	67.5	71.6	78.1	91.7	103.6	104.8	109.5
Engineering News-Record:							
Building.....	69.8	71.1	78.0	93.0	102.4	104.6	111.6
Construction.....	66.3	68.3	76.3	91.8	102.3	105.9	113.2
Department of Commerce, composite ¹	64.0	67.0	77.0	93.0	104.0	103.0	107.0

Compiler and coverage	Annual averages						
	1951	1952	1953	1954	1955	1956	1957
American Appraisal Co.....	113.0	118.0	123.0	126.0	129.0	135.0	141.0
Associated General Contractors.....	117.0	120.0	126.0	132.0	136.0	143.0	149.0
E. H. Boeckh & Associates (20-city average):							
Residences.....	116.0	119.1	121.2	120.3	123.9	129.4	131.8
Apartments, hotels, office buildings.....	118.0	122.0	125.8	126.8	130.6	137.0	141.2
Commercial and factory buildings.....	117.8	121.9	126.2	127.7	131.9	138.7	143.7
Engineering News-Record:							
Building.....	119.1	123.5	128.1	132.5	139.3	145.9	151.2
Construction.....	120.5	126.4	133.2	139.5	146.5	153.8	160.8
Department of Commerce, composite ¹	116.0	119.0	122.0	122.0	125.0	132.0	137.0

¹ The Department of Commerce composite cost index is a combination of various cost indexes weighted monthly by the current relative importance of major classes of construction put in place, and is used as an overall indicator of construction cost changes.

Source: Department of Commerce.

Prepared by Hilda M. James, economic analyst, Economics Division, Legislative Reference Service Library of Congress, Mar. 24, 1958.

Mr. PILLION. Construction costs rose in this 13-year period by more than 100 percent. This method of reimbursement at the end of the construction period would be grossly unfair. It would almost mean no reimbursement at all.

If the States that built upon the Interstate System had not done so and if they had waited for Federal funds, the \$6 billion worth of construction would at today's estimate cost \$12 billion. The Federal obligation, at 90 percent, would have been twice what is being asked for in reimbursement today. The States that built parts of the Interstate System conferred a great benefit upon the Nation and should not be further penalized for their efforts.

By adopting the principle of reimbursement for both toll and free roads, every 1 of the 48 States will receive additional mileage. No State can possibly complain of this policy. The States that built parts of the Interstate System at lower costs have made it possible for the other States to build more miles of highways today and for the life of this program.

PROPOSED USE OF INTERSTATE MILEAGE FOR NEW YORK STATE

Mr. Chairman, I would like to take just a minute or two to cite a most important international highway that is being held up in New York State due to the lack of interstate mileage.

I refer to a proposed highway from Buffalo to New York City. This road would run southerly from Buffalo, along Route 219, to Olean. Thence easterly to Binghamton. Then along the present Penn-Can road to Scranton. Then through Pennsylvania, through New Jersey, to New York.

The present mileage from Buffalo to New York along the through-way is 450 miles. The mileage for this new route would be about 350 miles. It would save about 100 miles between these two metropolitan areas.

Since 50 miles of this highway is a new interstate existing highway, only about 300 miles would have to be built. New York would have to build only 200 miles of it.

The Toronto, Windsor, and Niagara Falls area in Canada contains about 5 million people. Buffalo is the gateway for these neighbors.

The Detroit and northern Michigan area also contains about 5 million people. The shortest route between Detroit and Buffalo is by way of Canada.

This new proposed highway would save more than 100 miles for about 5 million Canadians, for about 5 million citizens of the Detroit area, and for about 1 million people of the Buffalo area. This new highway would also furnish an important link to the trans-Canada highway now under construction.

The New York State Thruway runs approximately along the shaded top line here, from Buffalo to Lake Erie and Albany, and then on to New York. This highway is approximately 450 miles long. Buffalo is the gateway to Canada. The large concentration of Canadian industry is in this area, the Toronto-Windsor-Hamilton area—with about 5 million people. The shortest route for the Detroit area is across Canada to Buffalo, and then on to the seaboard to New York City.

Now, Mr. Chairman, there is a route proposed by the New York State Highway Department from Buffalo which would serve approximately 5 million people in Michigan, 5 million people in Canada, on a route to New York City, and that route would lead from about Buffalo down to Springville here through the southern part of New York State to Binghamton, and from there to Scranton, which is already built, and from that part to New York City. There would be a saving of approximately 100 miles for all of those people in a route of travel from any part of Canada in this area down to New York City. That is the type of highway that would be built if reimbursement could be granted to States like New York and additional mileage allowed on the Interstate System.

This is an important international highway and one which brings about a great economic saving to millions of people. So by including more mileage for States I do not believe we would be committing any error, but would just be making our Interstate System more flexible and bring it up to present-day needs.

Mr. DOOLEY. Mr. Chairman.

Mr. FALLON. Mr. Dooley.

Mr. DOOLEY. May I compliment the distinguished gentleman from New York State on his succinct and very comprehensive report which he just made as a witness? I would like to ask to be associated with his remarks in the record. I think New York State has a tremendous stake in the whole problem of reimbursing for compensating mileage. You have given testimony which will be very helpful to our consideration of the whole matter.

Mr. FALLON. Mr. Pillion, on behalf of the committee, I also want to congratulate you on the fine presentation you made this morning.

Mr. PILLION. Thank you.

Mr. FALLON. Are there any questions?

Mr. BLATNIK. I have no questions; but I, too, wish to commend you on a very clear, orderly, logical, and rather persuasive statement which you have made.

On page 3 you state that—

Actually, the interstate map mileage was obsolete and outdated in 1956 when the highway act was passed.

It is my understanding that of the entire interstate network 80 percent of this work on the Interstate System would merely be in order to make up for the backlog of the needs which we have not fulfilled. Some people have the notion that we will have a new, modern superhighway system which will adequately meet the needs of our rapidly growing population with more travel facilities per capita than ever before. Actually we may be 20 percent above the standard required to meet the needs, a standard which we have been far behind in fulfilling up to this time.

We have done almost no construction work on our roads since the depression years and through the war years. I think the gentleman makes a very valid point here. This is not an additional burden or cost to the program and will not necessarily delay it.

When this gigantic project is completed our roads system will barely be on the level adequately to meet the needs of a modern society, with the advances in technology and industry, and with the great mobility that we will have among our people, with practically one automobile in every home.

Let me say this in addition: I do think that very serious study will have to be given in order to work out a comprehensive yet realistic method of reimbursement. What may be equitable in a large State and one also as populous as New York may not be equitable in a large State but not equally populous, such as the State of Oklahoma. What may benefit those two States may not meet the needs of a small but populous State, such as Connecticut, as was explained by the Governor of Connecticut yesterday.

I am sorry to take so much time, but I am very impressed by the very sound and sincere statement which the gentleman, our friend and colleague from New York, has made.

Mr. FALLON. Mr. Mack.

Mr. MACK. I can only say, Mr. Chairman, this is one of the most complete and comprehensive statements I have heard before this committee in the 11 years that I have been here.

Mr. PILLION. I hope the gentleman can find his way to back it up with a vote. Thank you.

Mr. EDMONDSON. I want to compliment the gentleman, too, on a very fine statement and say I think he is 100 percent right in everything he says.

Mr. SCHERER. I just make the observation that I am certainly not dogmatic about any provisions that I have set forth in the bill which I have introduced. I am merely supporting by the introduction of that bill the principle of reimbursement, and I am certainly willing to incorporate in my bill some of the valuable suggestions that the gentleman from New York has made in his presentation, which would be a means of accomplishing what Mr. Blatnik said is an equitable principle of reimbursement for all States everywhere, I feel.

Mr. PILLION. May I just say that I am not dogmatic either about the matters stated here in this statement? By giving greater flexibility to the State public-works departments they can work out better than we can work out for them the places where the roads ought to be, and where they need them, and where they get the greatest economic return for the dollars spent.

We cannot determine whether a road from X to Y is the road which ought to be built, but we ought to give them enough highways so that they have some choice in the matter.

I am not against permitting the States to use some of the money, let us say, for a principal truck route which may be called a primary road instead of an interstate road. The engineers and the gentlemen at the heads of these departments in the States best know where the money ought to be spent, and I do not think we should be dogmatic about it and set up a rigid system. We should make it as flexible and as fluid as possible so that we get the most roads for our money, and the ones which will be used and relieve the traffic pressure to a maximum extent.

Mr. SCHERER. You feel any credits that may be given to States which may be in fact reimbursed, should be in roads or road mileage?

Mr. PILLION. Oh, yes; definitely. With a maximum limitation on the amounts that would be determined to be fair for reimbursement. It should be in mileage and the limitation, I believe, should be the amounts they spent.

Mr. SCHERER. I think that is a weakness of my bill which was pointed out by the Secretary the other day, namely, that it would need an amendment which would put a limitation on costs.

Mr. PILLION. There has to be a limitation of dollars upon the mileage—a top limitation.

Mrs. BLITCH. I too, Mr. Chairman, am always happy to hear one of our colleagues who comes from New York express himself on a bill. I, too, think highly of our colleague. However, I was most interested in your comment on the report that was made on the bill when it came from this committee, when the bill was put before the House and passed.

Actually this point was brought up in the committee during the writing of the highway bill and it was defeated in the committee. I was one of those who voted against it in executive session. I have heard nothing since then to change my mind upon that particular point, and I must say with all due respect to the fine statement the gentleman has made here that I am still not inclined to vote in favor of the proposition he has put before us, for this reason:

In building roads, as the gentleman has so clearly stated in his statement, we do not know when this program will end. We have a program here that, as our distinguished colleague, Mr. Blatnik, from Minnesota, has pointed out, is an attempt to bring our standard of roads up to the level that they should have been at a long time ago.

It seems to me if we get ourselves involved in a program of payment for roads that have already been built, we must face this question: When are we going to meet the necessity of paying for roads that still have to be built?

Mr. PILLION. I can understand the gentlewoman's position.

Mrs. BLITCH. So I am unable to reconcile my opinion with the points you made.

Thank you, Mr. Chairman.

Mr. BALDWIN. Mr. Pillion, I want to join in the statements Mrs. Blitch has made.

First I would like to say it is evident from your bill that you have given this subject a great deal of constructive thought and your bill, as Mr. Scherer pointed out, in my opinion eliminates some objections which appear in some of the other bills we have heard testimony on.

However, the basic point still has to be resolved.

Let me ask you this question: Let me say that the State of California, according to the chart you have given in your testimony, is 1 of the 4 top States entitled to reimbursement if your theory is adopted. Nevertheless, the California State Department of Highways is opposed on the theory that they feel additional roads should be built, instead of paying for past ones.

If your bill, or any of the other bills are adopted that have been submitted to the committee, my feeling is that any taxpayer in any State of the Union that would come through New York going anywhere, after this system is supposedly completed, is still going to be paying tolls on the New York Thruway or any other toll roads; because your bill says in the States that built toll roads other roads will be built and the toll roads will continue to exact tolls.

In the free States they will build other roads, but there the free roads are already free.

How do you feel then that we who come from the free-road States can justify to our taxpayers the fact that after this program is completed, whenever our people travel on the Pennsylvania or New Jersey or New York Thruways, they are still socked with a toll, although their taxes have paid for the equivalent value of that?

Mr. PILLION. When I go to the Chesapeake Bridge and cross that and I am charged \$1 for going across that bridge, I do it with the feeling of thankfulness that someone made that available to me, because I am probably saving a day's time or \$10 or \$15 or \$20. I do that voluntarily.

If New York State were to receive additional mileage, it would not put that into the pockets of anyone, but it would construct new highways which would then permit the people from California to come and use the new highways free. The complicated system of financing the throughway would not make it practicable today to say that we will take \$500 million and throw it into paying off the throughway bonds. More mileage would be added that is free, for use by anyone in the 48 States.

What you are doing is giving them more mileage and, as I show on this map, if we had an across-the-State highway along the southern portion of New York State instead of the northern portion of New York State, it would be a shorter route to the Atlantic coast for anyone coming from Ohio, instead of going up north where you have a 450-mile distance from Buffalo to New York. You would be able to make that same route only 300 miles and save 150 miles in distance. So there is no great injury or damage being done by anyone who uses the toll highway.

Mr. BALDWIN. I appreciate your sincerity.

Mr. PILLION. There is a tremendous economic benefit to a truck which can use the throughway even if they pay for it. Look how popular the Pennsylvania Turnpike is. You have other routes that you can take, but when you take into account the \$20 an hour or \$30 an hour involved in the use of a large truck, you see that you are saving \$150 by paying the toll.

Mr. BALDWIN. I appreciate the sincerity of the gentleman and the amount of thought he has given to it, but I want the gentleman to know that there are others of us who feel just as sincere about the problem.

Mr. PILLION. I understand, but I want to state when you do something on a voluntary basis and you furnish an economic objective, it follows you are conferring a benefit. You voluntarily use this road. No one forces anyone to use these highways.

Mrs. BLITCH. Will the gentleman yield?

Mr. BALDWIN. Yes.

Mrs. BLITCH. Might I say to the distinguished gentleman from New York that if he really would like to help the people of his own State then he ought to try to see the Interstate System mileage increased in the State of Georgia.

Mr. PILLION. A very good State.

Mrs. BLITCH. Because so many of his own citizens use that route to get to Florida just as quickly as they can, and they would appreciate another route down there.

Mr. PILLION. I assure you I am for it, and I want it.

Mrs. BLITCH. I do not see how we can ever get it if we start paying for roads that have already been built.

Thank you, Mr. Baldwin.

Mr. SCHERER. Will you yield for one observation in connection with the question you asked?

Mr. BALDWIN. Yes.

Mr. SCHERER. I think you, Mr. Pillion, answered Mr. Baldwin's question in your statement when you pointed out that 85 percent of the people who use the toll roads in New York are people from New York, rather than transients, or interstate traffic.

Mr. PILLION. That is just my estimate. Those figures are not available but I would assume——

Mr. SCHERER. You make that estimate on the basis of the fact that the average trip on a 500-mile throughway is 49 miles.

Mr. PILLION. That is right. That is just my estimate. It might be 70 percent to 80 percent. I do not know.

Mr. SCHERER. Most of the traffic into a big city on a throughway like you have in New York is generated from about the 20-mile limit out.

Mr. PILLION. That is right.

Mr. BYRNE. Will the gentleman yield?

Mr. BALDWIN. Yes.

Mr. BYRNE. In line with the discussion it occurs to me that that Sunshine Bridge that takes you in and around St. Petersburg is not paid for by the people around there. All of the projected figures as to whether or not it would be successful or not have been outdone many times. I remember the tortuous route that took you across on a barge, or some kind of vehicle of that type, or maybe a large rowboat, which carried your car. Today that Sunshine Bridge is paying its way many times over.

Just like the distinguished gentleman from New York said, when you pay that \$1 or that \$1.25 to get across, why, even the view is worth that money, to say nothing of the utility.

Mr. PILLION. That is right. It is a great economic benefit. It is an engineering feat which is economically sound.

Mr. FALLON. May I inform the committee that we have six out-of-town witnesses we would like to dispose of today, so that they may get back to their jobs?

Mr. BYRNE. Could I ask for indulgence just to read a short telegram at this point, which is applicable to the subject matter under discussion?

Mr. FALLON. If there is no objection.

Mr. BYRNE. In line with the discussion of the distinguished gentleman from New York, I would like to read this telegram directed to myself, Emmet Byrne.

Replying to your telegram of March 20, I would be in accord with any legislation authorizing additional miles of interstate roads in Illinois to substitute for equivalent miles of toll highways which coincide with interstate routes.

That is signed, "William G. Stratton, Governor of Illinois."

Mr. ROBISON. May I ask your kind indulgence to associate myself with Mr. Pillion's remarks and to state I have introduced a companion bill, identical to his, and I would like to ask consent at this point in the record to insert a letter I recently received from Route 17 Association, Inc., of New York, which refers specifically to the route Mr. Pillion has mentioned as a possible additional interstate road through the southern part of New York State?

Mr. FALLON. If there is no objection.

(The letter referred to is as follows:)

ROUTE 17 ASSOCIATION, INC.,
Binghamton, N. Y., March 22, 1958.

Representative HOWARD ROBISON,
House of Representatives Office Building,
Washington, D. C.

DEAR HOWARD: The Route 17 Association, Inc., firmly believes that New York is not receiving its equitable share of Federal funds allocated for highway construction.

A number of States constructed a substantial mileage of express highways prior to the passage of the Federal highway bill of 1956. Much of this mileage was incorporated in the Federal network designated as Interstate Highway.

It is our understanding that under the present law New York will receive funds for the construction of only 763 miles of Interstate Highways on a 90-10 basis. All other highway funds will be on a 50-50 basis.

We urge you to make every effort to get at least our full 1,210 miles on the 90-10 basis, in justice to the citizen taxpayers and voters of the State of New York.

This equitable revision in the present formula would mean a saving to New York taxpayers of about \$600 million, and would permit the use of State funds for further development of our urban arterial as well as primary and secondary road systems.

We would like to call to your attention the fact that there has been a substantial change in the Interstate Highway layout as originally established by the United States Bureau of Public Roads, in the New York State vicinity. Initially, New York had two principal north-south routes—namely Routes 9 and 11—and one east-west route, the New York State Thruway.

In the original plan, immediately south of the New York-Pennsylvania line and parallel to it, Pennsylvania Route 6 was designated as Interstate. A plan has been worked out between Pennsylvania and the United States Bureau of Public Roads, relocating the Interstate route approximately 60 miles south of and parallel to Route 6.

This brings about in the network 2 parallel highways, one in Central New York and one in the central part of Pennsylvania, approximately 150 miles apart. Between them is a large area of established industrial and agricultural importance which would not be readily served by expressway transportation unless additional Interstate Highway designation were made.

We would therefore urge you to exert your greatest efforts to have Route 17 designated as Interstate, at least for that uncompleted portion from Sullivan County to the western end of the State. This will serve not only the communities through which it passes—which are now being penalized because of the facilities offered by the New York Thruway, and in all probability will be affected by construction of the proposed Pennsylvania route—but also New York City, southern New England and northern New Jersey, as an efficient, economical highway facility.

If there is anything at all that we can do to help you accomplish this result, we stand ready. Your advice will be greatly appreciated.

Yours respectfully,

GEORGE E. KNOWLTON, Jr., *President.*

Mr. MCGREGOR. I would like to congratulate the witness, our colleague, for the statement he has made and for the research he has given to this matter, and for the information which I think will be given every consideration by the committee. Certainly you are to be congratulated on this.

Mr. PILLION. Thank you.

Mr. FALLON. I have in my hand a statement from the Honorable R. Walter Riehlman, Representative from the 35th District of New York, who asked unanimous consent that it be filed immediately after the remarks of Mr. Pillion. If there is no objection, it is so ordered.

(The statement referred to is as follows:)

REMARKS OF HON. R. WALTER RIEHLMAN, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF NEW YORK

AMENDING FEDERAL-AID HIGHWAY ACT OF 1956

Mr. Chairman, and members of the committee, I appreciate having the opportunity to appear before you today.

I want to commend the committee on considering H. R. 10422 and H. R. 10921, Mr. Buckley's and Mr. Scherer's bills, which are proposals for reimbursement to the States for construction of toll and free roads.

From previous statements made on this subject, one would be inclined to believe that after the passage of the highway legislation in 1956, there should be no consideration at this time for reimbursement to the States for the construction of toll roads and freeways which have been made a part of the Interstate System.

However, I must call to the committee's attention the fact that it was the intent of the Congress that we consider the matter at an early date. To prove the intent of Congress that reimbursement should be considered, a provision, which is section 144 of the Federal Highway Act of 1956, was written into this legislation requiring the Secretary of Commerce to provide the Congress with a report by January of 1958 in which complete information would be set forth as

to the cost of reimbursement to the States which had constructed, or had under construction at the time, freeways and toll roads. This report was made in January to the Congress, and is House Document No. 301, 85th Congress, 2d session.

In testimony given yesterday, the Department of Commerce went on record as being opposed to the enactment of any of these bills at this time. I think emphasis should be made that the Department's position is more one of deferring action rather than being one of unalterable opposition.

As indicated in the testimony which you have so kindly permitted me to present, I am not in agreement with the Department of Commerce position. I join with my colleague Mr. Pillion and other distinguished members from New York urging your committee to take favorable action on this important legislation.

I would suggest that the committee extend its inquiry to include free roads also, which are now a part of the Interstate System, but which were constructed prior to January 30, 1957. This would be accomplished through acceptance of H. R. 11558, which I recently introduced, and which is identical to companion bills introduced by several other New York members. H. R. 11558 includes the provisions of Mr. Buckley's bill.

Unfortunately, in the passage of the 1956 Federal Interstate Highway Act, Congress failed to provide for reimbursement in any form for highways which were completed or under construction and which would be part of the Interstate System. As a result, New York, along with a number of other States, has been penalized for having the foresight to build vitally needed facilities.

New York State has spent over a billion dollars on highways which are now a part of the Interstate System. More than half of this amount went for toll roads which were built without the assistance of Federal funds. The remaining portion was expended for free roads upon which 50 percent Federal aid was received.

On the basis of the report issued by the Secretary of Commerce included in House Document 301, 85th Congress, 2d session, New York State would be entitled to receive reimbursement of \$822,800,000 for toll and free roads completed up to 1957 and properly depreciated.

Why should New York, or for that matter, any State, be penalized for moving ahead forcefully and effectively in helping to meet our pressing needs for modern highways, while other States, now receiving full benefits of this fine program, were not making similar efforts to improve outmoded highway systems?

Is it to be congressional intent to place a penalty on progress?

The legislation considered by your committee can partially alleviate the difficulties now confronting New York and other States. But to be completely fair, free roads should also be included with the toll roads, bridges and tunnels in determining the proper apportionment of funds to the States concerned.

If the committee gave approval of the bills now before it, this would correct the inequities in the present law by providing an increase in mileage in each State and revising the formula used for distribution of Federal highway funds.

For fiscal years, 1957-58-59, the Federal aid was based upon two-thirds population, one-sixth mileage, and one-sixth area of the State. But for the years 1960-61-62, the formula will change to the percentage of each State's share of the remaining costs, excluding the mileage built by the States prior to 1957. Under this new formula, New York State's share of the Federal highway funds will drop from 7.10 percent to 4.95 percent.

The change in the formula will reduce New York's share by 2.1 percent, which would amount to an approximate loss of \$141.9 million for the years 1960-61-62, based on an anticipated \$6.6 billion to be apportioned to the States for those 3 years.

I sincerely hope the committee will take corrective action such as outlined in the proposed legislation. As it stands now, the people of New York State will pay a disproportionate share of the Federal taxes because in obtaining highway grants New York State will not be on an equal basis with States that have not made as much progress in their highway programs.

Mr. FALLON. Thank you very much, Mr. Pillion.

Our next witness this morning is a gentleman from the great State of Oklahoma. As we have a very distinguished Representative from that State on our committee, I would like to have him present the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I appreciate this opportunity to present to the committee our very able and respected director of the State Highway Department of Oklahoma, Mr. C. A. Stoldt.

With Mr. Stoldt, and I assume sitting at his side when he testifies, if he likes, would be the distinguished senior member of our State senate from Oklahoma, the Honorable Keith Cartwright, who is here; and the attorney for the governor on some matters and the State highway department on some matters, Mr. Leroy Powers, who are both in the room.

If you gentlemen would like to come forward and take chairs with Mr. Stoldt, I am sure you would be welcome.

STATEMENT OF C. A. STOLDT, DIRECTOR, DEPARTMENT OF HIGHWAYS, STATE OF OKLAHOMA

Mr. STOLDT. Thank you, Mr. Edmondson.

Mr. Chairman and gentlemen of the committee, as stated, I am C. A. Stoldt, director, Department of Highways, State of Oklahoma.

I do not have a written statement.

I want to point out the position that the State of Oklahoma finds itself in at the present time.

As you recall, the highway departments back in 1954, in cooperation with the Bureau of Public Roads, were requested to make an estimate of the cost to improve the Interstate System within their States. The 1956 act again contained a section that required that a reestimate be made. In the case of many States, the second estimate was considerably higher than the first estimate.

Our original estimate, which was considered by Congress in 1955, and, of course, was the basis for the 1956 Federal-Aid Act, was of 805 miles in Oklahoma, rural and urban, which had a total estimate of approximately \$550 million.

The 1956 act, of course, required that previous allotments to the State for the improvement of the Interstate System be deducted. Also any other mileage within the State that was determined to be the interstate alinement or route be deducted.

Our estimate submitted to the Bureau of Public Roads last July, which had to be submitted to this Congress in January, was approximately \$399 million, the original estimate having been \$547 million, approximately.

In the meantime we have 175 miles of toll roads in Oklahoma that have been approved by the Department of Commerce as the interstate route. Therefore we had to deduct that mileage and our estimate on that mileage, had it not been approved as the interstate route, would have been approximately \$93 million.

The apportionment of interstate funds under the 1956 Federal-Aid Act to Oklahoma was supplemental in the amount of approximately \$18 million for fiscal year 1957, \$30.5 million for 1958, and slightly less than \$36 million for fiscal year 1959.

On the basis of the apportionment under the 1956 act, the State of Oklahoma will receive a considerably lesser apportionment for fiscal 1960 and 1961 than they have. In other words, I do not know what it will definitely be, but it will be slightly over \$20 million. Last year it was slightly less than \$36 million.

Definitely Oklahoma is being penalized by having the toll roads and other free roads that had been constructed prior to the 1956 act deducted. In many cases, while other States' apportionments will be increased, Oklahoma's, and I am sure other States find themselves in the same position, will be decreased.

The Oklahoma Highway Department has geared itself, based on the apportionment that they have. At the present time all interstate funds available to Oklahoma are programed—either under contract or programed—on specific projects with the Bureau. The engineering is complete on all of those projects. It is a matter of right-of-way, and I am sure all of the funds will be under contract not later than August of this year.

Having geared the operations of the Department to what we saw, we feel we are really being penalized. I am sure Oklahoma is in no different position than other States that have toll roads which have been determined as the Interstate System route, or free roads that have been improved and determined as the Interstate System route.

In the Buckley bill, which is the only one I have had the opportunity to read, it states that if passed, an equivalent mileage in any State could be added to the Interstate System and improved, of course, to interstate standards, and with Federal participation.

I have a question I would like to ask the committee. We have several highways in Oklahoma that from a traffic volume standpoint and actually from being an interstate route have a great public demand that they be added to the Interstate System. However, the act which created the Interstate System designated control points and that system connected those control points.

If this is on an actual mileage basis, 175 miles in Oklahoma would not connect to another control point.

We joined with the State of Kansas here over a year ago and made a request to the Bureau of Public Roads that Highway 69, which originates in St. Louis and terminates in Dallas, be added to the Interstate System. Of course, that request was not acted on because the 41,000 miles have been already allocated.

As far as I know, the State of Texas has not joined in that request.

Highway 69, across Oklahoma, is approximately 262 miles. Highway 81 across the State, which is another very important highway in Oklahoma, is 230 miles.

As I understand the act that created the Interstate System, there are no dead ends. In other words, an interstate route has to be an interstate route and connect with another interstate route or control point.

I ask that as a question.

I believe I have set out the position that Oklahoma finds itself in here in that it appears that our interstate apportionment for the next year will be cut to approximately 60 percent of what it has been, and apparently, because the toll roads were determined to be on the interstate route.

Unless there are some questions, I thank you.

Mr. BLATNIK. Commissioner, we thank you for your statement and presentation.

Are there any questions to my right?

Mr. EDMONDSON. I would like to ask Mr. Stoldt to put into terms of dollars, if he could, what this penalty is to the State of Oklahoma in

interstate funds. Would you say it was costing as much as \$10 million a year in our interstate allocation because this already constructed mileage has been deducted from the mileage for which we get money allocated?

Mr. STOLDT. Yes, Mr. Edmondson. I believe I stated that our first estimate to the Bureau of Public Roads on which the apportionment to Oklahoma was based was approximately \$547 million. Our last estimate, where we had to exclude the toll roads, was approximately \$399 million.

Our estimate on the mileage which is included in the toll roads is approximately \$93 million.

Of course, the 1956 act sets out that the apportionment to the States will be based on need to complete the system within whatever period it is—13 years. Actually that is right, but Oklahoma has completed 175 miles of road that is approved as the interstate route, and we have to deduct that from our estimate.

Mr. EDMONDSON. So what it is costing you is the difference between \$547 million and \$399 million, or a total of \$148 million?

Mr. STOLDT. Yes, sir. It will affect our apportionment for the fiscal year. Last year it was approximately \$36 million. This year it will be probably around \$22 million. I mean in the next fiscal year.

Mr. EDMONDSON. I thank you.

Mr. BLATNIK. The gentleman from Texas.

Mr. WRIGHT. At the time the State of Oklahoma acceded to the designation of these toll facilities as part of the Interstate System, was it your impression at that time that some arrangement would be made to reimburse those roads and liberate them from tolls and make them free to the taxpaying public?

Mr. STOLDT. Yes, sir. That is correct. As I recall the original bill that was introduced in Congress in 1955, it contained a section that stipulated the reimbursement for roads which were approved as the interstate alinement.

Mr. SCHERER. That was the administration bill, was it not?

Mr. STOLDT. Yes, sir. And, of course, the act that was passed in 1956 contained a clause that a study would be made and a report would be made on that.

Mr. SCHERER. The Congress rejected the original matter and arrived at this.

Mr. STOLDT. That is right. The 1956 Federal Aid Highway Act which was passed just stated that a study would be made as to reimbursement.

Let us consider Oklahoma again. Joplin, Mo., is a control point on the Interstate System. Oklahoma City is a control point on the Interstate System. That toll road as constructed, the Turner Turnpike, between Oklahoma City and Tulsa, and the Will Rogers Turnpike, from Tulsa northeast toward Joplin, is the ideal alinement between those points. It is the most economical alinement.

Oklahoma requested that those roads be approved as the interstate alinement. It would definitely be foolish to parallel within a mile another road of the characteristics of the interstate standards, a 4-lane, divided, controlled-access road. It could not be economically justified at all, and for that reason the Oklahoma Highway Department made the request that the toll road be approved as the interstate route from Oklahoma City through Tulsa, northeast.

Mr. WRIGHT. But you did have the impression at that time that some action would be taken to pay for these roads, liberating them from tolls and making them eventually free to the motoring public?

Mr. STOLDT. I believe that when we first started talking about the Interstate System the wording in the original bill considered back in 1955 by Congress was that there would be a reimbursement based on the depreciated basis for the years, and so forth, and that that reimbursement could be either used to retire bonds on the toll roads or to construct other roads within the State on any other system.

Mr. SCHERER. Will you yield?

Mr. WRIGHT. Yes.

Mr. SCHERER. May I say in my opinion your recollection of the provisions of the original act or bill are correct. That came as a direct result of the recommendation and the language contained in the Clay committee report.

Mr. DOOLEY. Will the gentleman yield for a question?

Mr. WRIGHT. Oh, yes.

Mr. DOOLEY. I presume that the toll roads were built with a bond issue?

Mr. STOLDT. That is correct.

Mr. DOOLEY. Are the bonds callable?

Mr. STOLDT. I am sure that they are.

I might explain, in Oklahoma the toll roads are under the turnpike authority, and there is no connection between the turnpike authority and the highway department.

Mr. DOOLEY. I see.

Mr. WRIGHT. I understand the gentleman's position to be in favor of this bill, and I think I support the purpose of the bill also.

I want to ask you this question, as Director of the Department of Highways of the State of Oklahoma: Which would be less expensive for the Federal Government—to commit itself to construct for 90 percent of the total cost, additional equivalent mileage, or to pay off the remaining indebtedness that exists on the toll roads and make them free to the public?

Mr. STOLDT. I find myself in this position: I explained there is no connection between the turnpike authority and the highway department. I am here representing the Oklahoma State Highway Department and the Governor of Oklahoma, and I am not representing the turnpike authority.

Mr. WRIGHT. I understand that.

Mr. STOLDT. This is merely an opinion. I think it would probably be more economical to pay off the bonds, but again I am not here speaking for the turnpike authority of Oklahoma.

Mr. WRIGHT. I didn't want to place you in the position of speaking for someone else, but it was rather just a request for your personal opinion on that question.

Mr. SCHERER. Will the gentleman yield for one question based on that?

Mr. WRIGHT. Yes.

Mr. SCHERER. If we pay off the bonds, however, that would retard the building of more roads. If credits were given for mileage then we could build more needed roads and you would not retard the total highway program.

Mr. STOLDT. You are absolutely correct.

Mr. SCUDDER. If that procedure were followed, then Oklahoma would be getting a much greater mileage proportionately than other States which did not have toll roads. That is, if we assumed the responsibility of paying off the toll roads, which I think eventually we should do. But if we gave you mileage in lieu of toll roads then you would be getting a great advantage over the other States of the Union.

Mr. SCHERER. Provided you give them the interstate roads. They may not need interstate roads in any sparsely settled State like Oklahoma. But if you give them credits for primary roads equivalent to what they have invested in toll roads, then you do not retard it and you assist them in building roads and reimbursing them for the loss they sustained by taking away from them so much mileage on the Interstate System.

Mr. SCUDDER. But you could not do both, could you?

Mr. SCHERER. No.

Mr. EDMONDSON. I would like to interpose to defend the State's honor on this question of sparse settlement. We do not have people stacked up on top of each other as high as they do in Ohio, but I do not think that 2,200,000 people is sparsely settled either.

Mr. SCHERER. I did not mean to cast any aspersion, but I meant by comparison to the State of New York it is sparsely settled. That is why Mr. Blatnik stated this morning you have different problems in different States, and so you have to work out a theory of reimbursement which is pretty flexible in order to take care of New York, and Oklahoma, and Ohio. Frankly, that is what I intended.

You would not want to add an equivalent amount of interstate mileage perhaps at the present time in Oklahoma. I say that not knowing the situation.

Mr. EDMONDSON. The gentleman is incorrect on that assumption.

Mr. STOLDT. Yes, sir.

Mr. BALDWIN. May I ask this question of you, Mr. Stoldt: In what year was the legislation passed in Oklahoma to authorize the construction of this toll road?

Mr. STOLDT. The original act was passed I think in 1948. That was just for the Turner Turnpike. If you will pardon me, I will ask Senator Cartwright to answer that question.

Mr. BALDWIN. I would like to know the year when legislation was passed to authorize the construction of the toll road now on the Interstate System?

Mr. EDMONDSON. There are two of them on the Interstate System.

Mr. STOLDT. That is right. Let us ask Senator Cartwright.

Mr. CARTWRIGHT. 1947 the Turner Turnpike, and 1953 the other one.

Mr. BALDWIN. Mr. Stoldt, the legislation that was passed authorizing the construction of those toll roads was passed before there was any proposal at all on the Federal level on reimbursement of toll roads under any circumstances. Isn't that correct?

Mr. STOLDT. That is correct; yes, sir.

Mr. BALDWIN. So you would have built those toll roads whether or not there was ever any discussion brought up on the Federal level for reimbursement.

Mr. STOLDT. That is correct; yes, sir.

Mr. MACK. Mr. Stoldt, the March 1 report of the Bureau of Public Roads indicates that this program, the Interstate System program, has not been going forward as rapidly as any of us hoped, and it has not been building the miles of road and providing the jobs that we hoped it would provide. That is mainly due to the lagging in some of the States. For example, New Jersey and Connecticut and Delaware and Indiana have used less than 50 percent of the money, or have programed less than 50 percent of the money allocated. Your State is not in the category of doing a poor job, but is in the category of doing one of the best jobs.

The State of Oklahoma has been allocated \$88 million in the past 2 years. Your State has programed all but \$11 million of the money which has been allocated to the State of Oklahoma. In other words, you have been using 85 percent or 90 percent of the money, whereas many of the other States have been using far less or putting into operation far less than 50 percent of the money. Your State ranks fourth in the Nation in the number of miles started, being exceeded on the Interstate System only by Texas, North Carolina, and Iowa.

What is the reason for the success of the State of Oklahoma in making this program work there, whereas it seems not to be operating at full efficiency in some of the other States?

Mr. STOLDT. I will try to answer your question, but first I would like to correct the information which you have. I realize that there is a lag in time between when you get reports from the Bureau of Public Roads and the present.

All of our interstate money is programed in Oklahoma. I made a statement a while ago that I think it will all be under actual contract not later than August. We cannot program another interstate project in Oklahoma until additional Federal funds are made available for that purpose.

Now, to answer your question, sir. There may have been some doubt in a number of States as to whether this Interstate Act or the 1956 act actually appropriating funds for the construction of the System of Interstate and Defense Highways would be made the law. In Oklahoma we anticipated that. It takes considerable time, and I wish I could get the public to understand that, to engineer a highway of the kind we are talking about, and finally getting it in a position to let a contract on it.

We were working on that before the 1956 act was passed.

We originally had 805 miles on the Interstate System in Oklahoma. I am sure you are not familiar, or most of you are not familiar with Oklahoma, but the Interstate System in Oklahoma cuts through **Kansas and has a control point at Oklahoma City**. Then it goes down to the south of Amarillo and it goes from Oklahoma City to Little Rock.

The engineering from Oklahoma City north to the Kansas line is completed. All we have left is to let a contract and to acquire the right-of-way. We have several sections of that under contract at the present time, but if we had the money we could let the whole route for contract tomorrow.

The same is true from El Reno, which is about 30 miles west of Oklahoma City, west to the Texas line. We have the interstate south from Oklahoma City under contract to Purcell, and we have 16 miles

from Red River north ready to let for contract. It is ready as far as engineering from Oklahoma City east to just north of Shawnee, Okla. We have 16 miles ready to let for contract from Arkansas east.

So Oklahoma is in this position: They will be able to utilize interstate funds as fast as the Congress makes them available.

Mr. MACK. Do you have any difficulty in obtaining the allocation or earmarking of funds for your State from the Bureau of Public Roads?

Mr. STOLDT. No, sir; our connections with the Bureau are very nice, very fine.

Mr. EDMONDSON. Would you yield there?

Mr. MACK. Yes.

Mr. EDMONDSON. Mr. Stoldt told me this morning something very interesting, too. He made his first application for an advance under section 6. I think this week you said you applied for your first advance under that section.

Mr. STOLDT. The day before yesterday.

Mr. EDMONDSON. That was \$5 million to be advanced under section 6. All of this was done without advance money.

Mr. MACK. I have one other question. It was testified here yesterday that if a \$10-million sum was wanted by a State that that State would necessarily have to have the \$10 million before it could get \$9 million of Federal money on a 90-10 matching basis. Have you ever had any such experience with the Bureau of Public Roads?

Mr. STOLDT. No, sir.

Mr. MACK. Why would you have to be sure to have the entire amount of money on hand to get the 90 percent from the Federal Government? How long does it take from the time you secure the programing of funds until actual construction is started? What is the normal period of time for that? Does it require buying right-of-way and doing engineering and calling for bids?

Mr. STOLDT. That is what requires the time. As far as funds are concerned, they are available immediately. In the past, and we hope it will be that way this time, for several years funds for the next fiscal year became available to us for programing, generally speaking, to let contracts some time in July.

In other words, we have all of our fiscal 1959 funds under actual programing with the Bureau.

When I say that, I am talking about primary funds and secondary funds and interstate funds. In other words, in Oklahoma we cannot program another project with the Bureau of Public Roads until the Federal funds are made available.

Mr. MACK. The Senate is now considering a bill to provide \$1 billion of additional funds to the States for work on the Interstate System, and I think some additional funds for the ABC roads. If that bill were passed and the money were made available now, how long would it be before any construction could be started in your State with the additional funds?

Mr. STOLDT. Thirty days after it was made available.

Mr. MACK. You could have the work actually moving?

Mr. STOLDT. We already have the engineering and right-of-way and are ready to go. All we need is the funds.

Mr. DOOLEY. You mentioned the right-of-way on the road going north to Kansas. Everything is ready but the right-of-way?

Mr. STOLDT. That is right.

Mr. DOOLEY. It took almost 6 years in New York State to acquire the right-of-way for the throughway. How long did it take in Oklahoma?

Mr. STOLDT. It is the first time we have used Federal funds for participation in right-of-way costs in Oklahoma. I am sure you are familiar with that. We have to have it appraised by two independent appraisers.

Mr. DOOLEY. Right.

Mr. STOLDT. On an 8-mile section—of course, it is hard to compare a rural area in Oklahoma with what you are talking about in New York—

Mr. DOOLEY. That is right.

Mr. STOLDT. But it will take 30 days to appraise it, and another 30 days. We cannot send a right-of-way agent out to acquire the right-of-way until after the Bureau approves the appraisal. It will take another 30 days to acquire it.

Mr. DOOLEY. That is fast.

Mr. STOLDT. But we can usually appraise and clear up an 8-mile section of highway in about 60 days.

Mr. MACK. Oklahoma is undoubtedly setting a very good example for a number of States lagging on the program. I suggest that they get in touch with you.

Mr. SCHERER. Mr. Edmondson has a highway director who, it appears to me, is extremely efficient, and he should have him talk to the distinguished Governor of the State of Connecticut.

Mr. BYRNE. Mr. Stoldt, you indicated as of today you made a request for an advance of some 5 or 6 million dollars.

Mr. STOLDT. Yes, sir.

Mr. BYRNE. Were you given to understand how quickly that request would be acted upon?

Mr. STOLDT. No, sir, I was not, but as I understand it, there is no question about it. I might explain why we have made that request.

Mr. BYRNE. Undoubtedly the reason why you made the request is you need the money, and you would like to move this project along and put people to work. Is that about your state of mind?

Mr. STOLDT. That is correct. And up until this accelerated highway program, or the 1956 act, was passed, for several years our average annual highway construction in Oklahoma would run approximately \$34 million a year. At the present time, in active contracts in some degree of completion we have approximately \$80 million of outstanding contracts. The way we have been operating in Oklahoma is that we pay our contracts on a progressive estimate monthly or bi-monthly. In other words, we will pay an estimate bimonthly. We pay the estimate and then we request reimbursement for the Federal share of that money.

Mr. SCHERER. Could I interrupt? How long does it take to get the Federal share?

Mr. STOLDT. It will take, after you pay a progress payment, an estimate of somewhere between 30 and 60 days before you actually get the money back from the Federal Government. That is the rea-

son why we are making this request. In other words, we have a lot of Interstate System jobs going that have 90 percent Federal money in them, and we are spending the money faster than our tax money is coming in.

We cannot stand that 30- to 60-day lag.

Mr. BYRNE. On the request you made as of today, and having in mind your past experience, you are of the opinion that that money will be forthcoming within a reasonable time, are you not?

Mr. STOLDT. Yes, sir.

Mr. BYRNE. That is all.

Mr. FALLON. Any other questions?

Mr. BALDWIN. One question.

If it were necessary, Mr. Stoldt, in order to obtain Federal reimbursement of any type, for you to pay off the bonds on the toll road, do you have any statutory limitations to paying off those bonds at any time?

Mr. STOLDT. It is my opinion—and again I will call on Senator Cartwright—that those bonds could be retired or could be called at any time. Is that correct?

Mr. CARTWRIGHT. At any time.

Mr. STOLDT. But again I want to point out that I am not in a position to speak for the Oklahoma Turnpike Authority.

Mrs. BLITCH. I would like to ask one question, if I may.

May I ask the gentleman how many miles overall, including the 175 that I believe you have on toll roads, how many miles overall do you have on the Interstate System in Oklahoma?

Mr. STOLDT. We have 609.3 miles on the Interstate System in Oklahoma, excluding the 175 miles that are toll roads.

Mrs. BLITCH. Thank you.

Mr. FALLON. Thank you very much, Mr. Stoldt.

Mr. DiNatale, would you give your name and title to the reporter, please?

STATEMENT OF ANTHONY N. DiNATALE, COMMISSIONER OF PUBLIC WORKS, COMMONWEALTH OF MASSACHUSETTS

Mr. DiNATALE. Yes, Mr. Chairman, and members of the Public Works Committee.

Permit me first, if I may, to convey to you the regrets of His Excellency, Foster Furcolo, Governor of Massachusetts, for being unable personally to appear before you today in favor of the Buckley, Donohue, and Lane bills, amending the Federal Highway Act of 1956 to increase the mileage on the Interstate Highway System.

Governor Furcolo has designated me to appear for him. My name is Anthony N. DiNatale, Commissioner of Public Works of the Commonwealth of Massachusetts.

During the whole period of discussion of the Federal Highway Act of 1956, it was the constantly expressed conviction that traffic congestion was to be relieved by the Interstate System.

I submit to you that the relief of traffic congestion is still the most acute problem facing our national highway program today.

While the Interstate System was authorized in 1944, the impetus necessary to accelerate its construction was only provided by the Federal-Aid Highway Act of 1956.

Previous to the 1956 legislation, many States such as Massachusetts were compelled to take the initiative in solving their own traffic problems.

This resulted in the construction of 126 miles of toll road now on the approved Interstate System in Massachusetts.

It is only fair that such mileage constructed to interstate standards and approved by the Federal Bureau of Public Roads as part of the Interstate System should be credited to the respective States by increasing their allocation in the Interstate System by the same amount of mileage.

It should be recognized that the mileage of Interstate System built as toll roads without Federal assistance would have had to be constructed now and the cost of the same would have had to be included in the needs estimate for the current Interstate System.

I wish to emphasize that the respective States affected by the Buckley, Donohue, and Lane bills would only be receiving what they are rightfully entitled to: otherwise they would be penalized for their foresight in advancing sections of the Interstate System which are now furnishing vitally needed service to the motoring public.

The action of the Secretary of Commerce in approving certain sections of toll roads as parts of the Interstate System without allocating equivalent mileage to the respective States is not in harmony with the intent of Congress.

The Buckley, Lane, and Donohue bills provide a method for adjusting this condition by a distribution of additional mileage on the Interstate System to the several States involved.

This would mean to Massachusetts an increase of approximately 126 miles in its Interstate System, all of which can be definitely assigned by Massachusetts to extremely essential sections of highways.

I sincerely hope that this committee will recommend an early assignment of the mileage and provide the funds for the construction of same within a reasonable period of time so that we may now plan for the construction of these vitally needed projects.

Massachusetts is ready to go forward with its portion of the cost involved.

In summation, the Commonwealth of Massachusetts strongly advocates the passage of the Buckley, Donohue, and Lane bills.

Thank you, gentlemen, for the opportunity to appear before you to express the views of Gov. Foster Furcolo and myself.

Mr. FALLON. Thank you.

Mr. DiNATALE. And Gov. Foster Furcolo expresses his best wishes to you.

Mr. FALLON. I am sorry he was unable to come.

Mr. DiNATALE. He just got over a little illness.

Mr. FALLON. Mr. Blatnik, any questions?

Mr. BLATNIK. First I would ask you to please return our greetings to your Governor. We recall him when he was a very able Member of the House, and also a real friend of ours, and a real gentleman.

Mr. DiNatale, what as the cost of your 126 miles of toll roads?

Mr. DiNATALE. I have pointed out in my remarks the need for a toll road or a road in Massachusetts east and west such as the toll road there is very vital and very important. It is the one road that carries a considerable amount of traffic east and west through Massachusetts. The cost is approximately \$200 million.

Mr. BLATNIK. Do you have any estimate on the cost of any additional and equivalent 126 miles to be built?

Mr. DiNATALE. Yes. It could vary. We are vitally interested in sections of Massachusetts that really need this additional mileage going north, south, and east and southeast. The cost of that 126 miles in the area that I am thinking about, which shows on a plan that was submitted to the Gore committee recently, would be approximately \$400 million.

Mr. BLATNIK. About twice the cost of your State's toll road?

Mr. DiNATALE. Due to the nature of the terrain and the areas it goes through.

Mr. BLATNIK. You have shorter runs connecting rather highly settled and densely populated areas?

Mr. DiNATALE. That is right.

Mr. BLATNIK. And you feel that merely the additional equivalent of 126 miles of Interstate Highways would be the answer to your problem?

Mr. DiNATALE. Oh, no. No. The answer to Massachusetts' problem is far greater than this. We are trying to get whatever we can and we hope that this bill providing at least 126 miles will be passed. We are asking for an additional 285 miles which we feel is rightfully just and due Massachusetts.

Mr. FALLON. You say it is rightfully just and due Massachusetts.

Mr. DiNATALE. We think so; yes, sir.

Mr. FALLON. You know the other States have the same opinion, namely, that they are entitled to a just and due extra mileage?

Mr. DiNATALE. Of course. I have no quarrel with the other States.

Mr. BLATNIK. I have no other questions, Mr. Chairman.

Mr. FALLON. Mr. Mack.

Mr. MACK. We on the Republican side are well acquainted with your Governor too through our mutual service in the Congress, and we have the highest regard for his ability. I think all of us who knew him are also very proud to call him a friend.

Mr. DiNATALE. Oh, you are so kind.

Mr. MACK. In Massachusetts you have now programed 24 miles of highway, according to the March 1 report of the Bureau of Public Roads. The cost of that highway in Federal and State funds is given as \$95 million. That means the average construction cost of the State of Massachusetts is about \$4 million a mile.

I would be interested to know—and I know you have a densely populated State and that is the reason for it—but I would be interested to know what part of the cost of the highway in Massachusetts is the acquisition of right-of-way? Would it be running around 50 percent?

Mr. DiNATALE. Unfortunately, yes; and I might add perhaps a little more. I would say I think it would run closer to 75 percent, rather than 50 percent.

Mr. MACK. That is due to the acquisition of city property of high value?

Mr. DiNATALE. Yes, sir.

Mr. SCUDDER. The purpose of the Interstate Highways, of course, was to tie the capitals of each of the States together with the nearest route to the adjoining capital in another State, and to make available a certain high type of highway for military use in case of need.

Is this new road you are proposing the most direct route from the capital of Massachusetts?

Mr. DiNATALE. Not so much through the capital, because the capital of Massachusetts geographically happens to be on just the eastern end of the State. However, the second part of your question, does it run through military establishments, could be answered "Yes." It certainly does.

Mr. SCUDDER. I mean from one State capital to another. Not military establishments, because that was never considered. We did not try to link up the military establishments, but tried to provide a north-south and east-west short route for military use for transporting material and personnel.

Mr. DiNATALE. I understand. Of course, our Interstate System does run from capital to capital of our neighboring States.

Mr. SCUDDER. What I am thinking about with regard to the request being made is that if we authorize new mileage to the original programs to take care of special cases we will be increasing the interstate mileage, and at the present time it looks as if we cannot keep up with commitments with present income. I cannot see where the money will come from to support additional mileage. I think you have a financial problem which is very difficult.

I thought we were going to try to correct some of the conditions in regard to toll roads. It was my thought that in time the Government would take over the toll roads and make all roads free for travel.

You cannot have your cake and eat it, too. If you are going to give special treatment to Oklahoma and Massachusetts, every other State will ask for additional mileage, then who is going to pay for taking over these toll roads? I cannot see where we are going to be able to go along on such a program, without changing the entire concept of the Interstate system program.

I appreciate your statement very much. There is a necessity for roads, because we need a lot more roads in California. I do not have a foot of Interstate Highway in my district, and every one of my constituents would be very happy to have more money spent on highways.

Mr. DiNATALE. I do not know whether these figures are correct or not, but they would be nearly so. Per capita I think Massachusetts has about the smallest amount of Interstate System of any State in the Union. This might be a broad statement of the fact, but on close scrutiny I think you will find it will not be too far off. Although they speak of 450 miles, in effect, actually we have only 350 miles. The State of Massachusetts is a highly industrial one, which in the future might have to depend on its tourist business as a result of the flight of industry. So roads become a very important part of Massachusetts if we are to survive in the future, because we must depend on other fields and natural resources, perhaps.

This might be the main life stream of Massachusetts in the future, this tourist business, and this is one of the most important reasons why the Interstate System is going to contribute heavily to the future of Massachusetts, in my opinion.

Mr. SCUDDER. All States, of course, were not treated alike in this program. I have had it called to my attention that Nevada, Arizona,

and New Mexico are getting much more than they pay in. That was the intent, to help the States which could not help themselves. I believe the richer States should take care of their own highway needs until we get this program underway, because I do not know what you would use for money otherwise.

Mr. DiNATALE. I certainly do not quarrel with your philosophy. I am all for it and I believe the richer States should help the poorer States. There is no question about this.

Mr. BALDWIN. Mr. DiNatale, this toll road section, as I understand it, was authorized by your State before there was any proposal for this Federal Highway Act of 1956.

Mr. DiNATALE. That is right.

Mr. BALDWIN. So it was built entirely on its own merits as a toll road, regardless of whether Congress ever passed the act of 1956.

Mr. DiNATALE. Of course.

Mr. BALDWIN. Could I ask you this question: In the event any proposal came up that you had to pay off the bonds on your toll roads, do you have any statutory limitation which would prevent it?

Mr. DiNATALE. No; I do not think there is, although I am not too familiar with the toll road. Again here the toll-road authority is a separate or nonintegral part of the highway system. However, I am quite sure they can, although I am not here to state that we sell the bonds of the toll road. Leave the toll road alone. It is doing a marvelous job. All we want is a little additional mileage to get it off the Interstate System so we can put it into roads which are much more vitally needed in Massachusetts.

Mr. BALDWIN. How would you justify charging a toll to somebody in another State using your Interstate System, when another State has free roads in the Interstate System and they have paid for that?

Mr. DiNATALE. Of course, that question has come up many times, and what is the sense of having a parallel route, so to speak. We do not have a parallel route where one would compensate the other. The toll road was gotten through an act of the Massachusetts Legislature. It is there and it is serving its purpose, and I have no quarrel with it.

Mr. BALDWIN. When did this toll road come on the Interstate System?

Mr. DiNATALE. I imagine when the act took effect—in 1956 or 1957.

Mr. BALDWIN. In 1957?

Mr. DiNATALE. It was built in 1951 or 1952.

Mr. BALDWIN. You mentioned in your statement:

The action of the Secretary of Commerce in approving certain sections of toll roads as parts of the Interstate System without allocating equivalent mileage to the respective States is not in harmony with the intent of Congress.

Did not the State of Massachusetts have to make application for that? The Secretary of Commerce never on his own initiative has taken any road into the Interstate System unless the State first applied for it, as I understand it.

Mr. DiNATALE. That could very well be. I should inform you that I was only appointed public works commissioner exactly 6 months ago. This was before my time. I could not see how any reasonable thinking could place a toll road as part of an Interstate System which the Federal act allows us to have as mileage and then give us this mileage of 450 miles when, in effect, we are not getting 450 miles.

Mr. BALDWIN. My only point is, my understanding of the procedure of the Secretary of Commerce is, he never takes the initiative and goes out and states that this will be a road on the Interstate System. In every case to my knowledge first the State involved has to make application for that particular road to be incorporated in the Interstate System, so there must have been a voluntary application by your State to have that done.

Mr. DiNATALE. Absolutely. Of course there was, by a previous administration.

Mr. BALDWIN. That is all.

Mr. WRIGHT. Mr. DiNatale, I was right with you up to a certain point. It is your position that your State is being penalized, because it had the foresight to go ahead and build some of these roads on its own hook.

Mr. DiNATALE. Yes, sir.

Mr. WRIGHT. How much tax money is represented in this \$200 million which it cost to build the 126 miles?

Mr. DiNATALE. How much tax money is represented in the \$200 million bonds?

Mr. WRIGHT. It is bonded to pay off the loans by the users?

Mr. DiNATALE. Yes, sir. This is under an authority. It is non-taxable.

Mr. WRIGHT. There is no tax money in it?

Mr. DiNATALE. That is right.

Mr. WRIGHT. You said you would not gain anything if the Federal Government were to take over those toll roads and make them free to the public and not give you any additional mileage. But your motoring public would gain from it, would they not? They would gain the free use of that road.

Mr. DiNATALE. Yes; but we would be losing additional and much needed mileage.

Mr. WRIGHT. That is all.

Mrs. BLITCH. Mr. Chairman.

Mr. FALLON. Mrs. Blitch.

Mrs. BLITCH. In other words, then, what you are really asking for, sir, is 126 miles advantage over States who do not have toll roads in the Interstate System.

Mr. DiNATALE. Not in that light.

Mrs. BLITCH. But essentially that is what you are asking us to do?

Mr. DiNATALE. We are trying to recoup the interstate mileage allocation of 450 miles to Massachusetts, and I would like to see 450 miles of actual Interstate System, not including the toll roads.

Mrs. BLITCH. But you are asking us to add 126 miles to your part of the Interstate System.

Mr. DOOLEY. Will the gentlewoman yield?

Mrs. BLITCH. Yes.

Mr. DOOLEY. You are only asking for what you deserve. Without having the toll road, you would be entitled to have 126 miles more.

Mr. DiNATALE. That is correct. In my opinion.

Mrs. BLITCH. I would say to the gentleman that would be a matter of opinion.

Mr. DOOLEY. Under the law.

Mrs. BLITCH. What law, sir?

Mr. DOOLEY. The 1956 Defense Highway Act.

Mrs. BLITCH. It says Massachusetts deserves an extra 126 miles on the Interstate System?

Mr. DOOLEY. Not over anything else, but under the formula I think they would be entitled to that mileage.

Mrs. BLITCH. Then why are we presented with this bill?

Mr. DOOLEY. To get compensating mileage for toll highways.

Mrs. BLITCH. If it has already been determined by the 1956 highway bill, why do we have this before us?

Mr. DOOLEY. As I understand it, the toll highway totals are deducted from the entire mileage to go to the State of Massachusetts, because it is already part of the Interstate System.

Mrs. BLITCH. If we already have it in the 1956 Highway Act, then why are we asked to have this bill passed here?

Mr. EDMONDSON. What the gentleman means to say, if he will permit me, is that the State's allocation of money is reduced by that amount of miles on the turnpike.

Mr. DOOLEY. Exactly.

Mr. EDMONDSON. So in that sense the State is losing.

Mrs. BLITCH. May I say the gentleman who is testifying here, from Massachusetts, is not asking for the money to which they are bound by bonds in the State of Massachusetts. He wants this 126 miles extra on the Interstate System.

Mr. DOOLEY. Not extra.

Mr. EDMONDSON. He is asking for it as a device to get the money allocated to him to pay his road bonds. Is that not right?

Mr. DiNATALE. That is right.

Mrs. BLITCH. But I must agree with you that 126 miles will be added to the Interstate System of Massachusetts.

Mr. DiNATALE. Oh, no.

Mr. EDMONDSON. If that is the method of reimbursement we arrive at to get the State reimbursed for the turnpike mileage, it might add miles to the system. We might arrive at a different reimbursement plan.

Mrs. BLITCH. Then would my colleague agree with me we would still not have reached an egalitarian method of treatment of the various States. They would still be unequal, in other words, insofar as the Interstate System is concerned, and we would have all of the other States in here requesting additional mileage on the Interstate System, plus the fact that the Interstate System has hardly gotten off the ground yet.

Mr. EDMONDSON. I think if we leave the turnpike mileage in and added additional mileage to it, the lady would have a point.

Mr. DOOLEY. Under the Pillion bill the States would get compensating mileage for freeways built for roads during the period of 1947 to 1957, and Georgia would be well taken care of.

Mrs. BLITCH. Will you please explain those remarks?

Mr. DOOLEY. Have you read the Pillion bill? Under that, compensating mileage would be given for free as well as for toll roads built in the intervening period between 1947 and 1957.

Mrs. BLITCH. That again would throw various States out of line, because the Interstate System does not have freeways and we would still have an unequal position as far as the Interstate System is concerned.

Mr. FALLON. May I interrupt at this point?

We are talking about formulas for reimbursement to States. I think if we have the witnesses here from out of town and get their opinions and their testimony, then we can decide to go into the matter in executive session.

Mr. WRIGHT. May I make a parliamentary inquiry? Did anyone hear the bells?

Mr. FALLON. They were the quarter of twelve bells. Inasmuch as we cannot do anything legally while the House is in session, I have sent Mr. Sullivan over to secure permission from the Speaker to sit this afternoon. The out-of-town witnesses would like to get back to their jobs. Being in the road business, they are very busy people.

Mr. SCHERER. How many witnesses do we have?

Mr. FALLON. We have Mr. Brice from Iowa, and Mr. Tonti from New Jersey, and Mr. Richards from Harrisburg, Pa., and Mr. James Wright from New York.

Are there any other questions?

Mr. SCHWENGEL. I have one question.

You are aware, of course, that the present estimates are that if we do not add any new mileage to the road system it will still take 20 years to build a road system with the money we have now assigned to the trust fund. You are aware of that, are you not?

Mr. DiNATALE. I am aware of it, but I am certainly against it. It is stretching it out to 24 years.

Mr. SCHWENGEL. My next question is, you are aware also if we do not change the formula and do what many of those who are testifying here tell us we should do, it will stretch out at least another 5 years to get the road system completed, will it not?

Mr. DiNATALE. In the interests of the Interstate System any stretchout in my opinion would be absolutely unwise.

Mr. SCHWENGEL. Would you support or can you designate a new tax that we can levy that would step this program up?

Mr. DiNATALE. I leave that in the good hands of the Congress, which has much more ability than I possess.

Mr. SCHWENGEL. My point is that you people are asking for this, and I think you ought to show the way and tell us frankly you would be willing to pay for the taxes necessary.

Mr. DiNATALE. I think we would be trespassing on your rights. Do you not think so?

Mr. FALLON. Thank you very much, Mr. DiNatale, for your fine statement and the intelligent manner in which you handled the interrogation from the members.

Mr. SCHWENGEL. Thank you, Mr. Chairman.

Mr. FALLON. Our next witness is from the State of Iowa. We have a very distinguished member from that State and for a better presentation I think we should turn it over to our colleague, Mr. Schwengel.

Mr. SCHWENGEL. Thank you, Mr. Chairman.

I am very happy to present a very distinguished member of the Iowa Commission of State Highways. I should like to add, Iowa is proud of the fact that years ago she gave one of her fine public servants to come here to Washington to plan the Federal road system and help to set up the Bureau of Public Roads and initiate a system of Federal-State partnership.

Iowa has done a great job of building roads, and we have taken advantage of every opportunity to meet the challenge that was ours to build good roads. Pretty largely this has been so because we have had outstanding members in the Iowa State Highway Commission, and today the man representing Iowa and the highway commission is no exception. In private life he is an engineer and he has made a very fine contribution to his community in many ways.

I am very happy to present to this committee Mr. Robert Brice of the Iowa Highway Commission.

Mr. FALLON. On behalf of the committee we extend our welcome.

STATEMENT OF ROBERT BRICE, MEMBER, IOWA STATE HIGHWAY COMMISSION, DES MOINES, IOWA

Mr. BRICE. Thank you, sir.

First I would like to express my gratitude for the opportunity to appear before the Public Works Committee on behalf of the Governor of Iowa to discuss briefly the problem of reimbursement both for toll and free roads.

Iowa now has 6 specific highway projects involved in this discussion, 5 of them being free roads constructed under 1952 and 1954 acts, with 50-50 or 60-40 participation.

The sixth one is the privately owned Mormon Trail Bridge across the Missouri River into Nebraska, which is owned by a Nebraska corporation.

Of course, involved also is the easterly approach to the bridge, about 8 miles of interstate highway. As we have reported to you in House Document 301, the expenditures on the six projects amount to \$1,244,000 of private funds, \$6,976,000 of Federal funds, and \$4,078,000 of State funds. Therefore the total to be considered for reimbursement only amounts in our case to approximately \$4 million. Of course, that would be minus, from the \$4 million, the depreciation involved, and also the 10 percent of State matching funds which it involved.

Mr. FALLON. Is that a toll bridge?

Mr. BRICE. That is right.

By the way, a point that occurred to me in listening to the discussions this morning is this: For instance, this toll bridge is privately financed by a bond issue, and it is set up in such a way that at such time as the bonds are paid off the ownership reverts to the State of Iowa and becomes a free bridge if we wish it to, or else we can continue to collect tolls on it.

Mr. FALLON. What is the length of time for amortization?

Mr. BRICE. It was originally set up, I believe, for 20 years, but now I think it is down only to 5 years still to go before it is paid off.

In view of the fact that the 41,000 miles involved in the presently designated Interstate System was set up for primary national defense in 1944, it would appear to be of the greatest importance to get the greatest number of miles of highways in use at the earliest possible time. That would be regardless of whether those miles have been financed by toll revenue or by public taxation money.

One of the principles of the Interstate System was that it was to be a free-road network. If the Federal Government does reimburse the toll roads, then the money used to pay off the bonds would, of

course, never be used probably for constructing additional miles of either Interstate System or primary roads. But if the States are reimbursed for free roads, that money again probably will not be used for the Interstate System, but will be used to add to the primary road network, and be again spent on roads.

So it is undoubtedly true that the person compelled to pay a toll at the present time on a toll road is being discriminated against, as compared to the person who is able to ride on a free road. But, on the other hand, since we have very few miles of free roads constructed on the Interstate System, that person paying the toll is still immeasurably better off than the person who does not have either a free road or a toll road to ride on on the Interstate System.

So I believe the greatest speedup of the Interstate System with the greatest number of people riding would result if reimbursement would be completed at the end of all the construction of the 41,000 miles on the Interstate System.

Mr. FALLON. Including the freeways?

Mr. BRICE. Yes, sir. A number of you gentlemen have expressed an interest in the progress of our Interstate System. I would like to take a moment to clarify that, if I may.

As you will note on your documents, Iowa has at the present time \$26 million in unprogramed funds. Of that we are holding back \$6 million to buy what we call emergency cases of right-of-way on the Interstate System through Des Moines. We have the engineering for that under way and the route has been designated.

Although we do not intend to build that for several years, people who own homes there and want to sell them right now cannot find a buyer, obviously because who wants to buy a house that is going to be torn down in a year or two? So we are holding back \$6 million for that purpose to use on the emergency purchase of right-of-way and an additional \$20 million is being reserved for paving and grading contracts that have been programed.

We have not actually programed that paving money because they want to use it for paving the grading jobs in the order that the grading is completed. If we program it, we have to designate exactly what mile it is to be spent on. By holding back we do not have to designate that, and the first grading job finished we will spend that money on for paving it.

Mr. FALLON. We have three witnesses for this afternoon, gentlemen. We have permission from the Speaker to sit during general debate this afternoon. If the three witnesses would like to go to lunch now and come back at 2 o'clock, they may leave.

You may proceed, Mr. Brice.

Mr. BRICE. Thank you.

Many States, and in fact I believe most States except Iowa, when they award a contract for a section of road, award it as one package contract, to include sections of the structure such as bridges, culverts, and grading and paving, all in one package. We found it is much cheaper and we get much lower prices by splitting it into three contracts. Therefore, if we used the same procedure other States do, we would now have nearly all of our money under contract. But we have a large portion programed, but not under contract, because we do not award the paving contract until the structures and grading are done.

That explains the difference between what is actually under contract and programmed.

Mr. FALLON. Have you ever applied for advance money for the Interstate System?

Mr. BRICE. Yes, sir.

In December we applied for \$3 million.

Mr. FALLON. Did you get the \$3 million?

Mr. BRICE. Yes, sir. It took about 10 days.

Mr. FALLON. How much time did you say it took from the time you made the application until you received the cash?

Mr. BRICE. About 10 days.

Mr. FALLON. That is pretty good time, is it not?

Mr. BRICE. Yes, sir. And we were also informed there was more there if we wanted it.

Mr. FALLON. That explains your position concerning the difficulty the Governor of Connecticut stated he had in this respect.

Mr. BRICE. I imagine they have an internal problem within their State that brought on this trouble.

Mr. FALLON. I think probably the State law of Connecticut is responsible. He said something about the State law prohibiting him letting a contract until the cash is in hand.

Mr. BRICE. Yes. They should change their State law.

Incidentally, we have progressed to the point where we have two more grading projects to let, which we will let at the very latest within 6 months, and then we can start no more miles of highways until we get our 1960 allocation of money. So we are about at the end as far as starting any new portions is concerned.

Actually, we have a few delays, the most important one being in condemnation. By our own State law when we condemn property for the construction of a highway, if that property owner wants to appeal the case, he can carry it clear up to the Supreme Court for a decision before we can take that property and use it for highway construction.

In the last few months we found a better method, whereby we can ask the Federal Government to condemn it for us, and at that time, as soon as condemnation papers have been filed, we can move in and start construction and the settlement can be arrived at afterward. They can go through all of the legal gymnastics while we are building the road. That will save a tremendous amount.

We did not hit on that in time to prevent two delays which have occurred to us.

Mr. FALLON. That was put in the 1956 act for the benefit of the States.

Mr. BRICE. That was our own fault that we did not get out of it sooner. As a result of that, the interstate in Scott County was delayed about 6 months, and there was a portion near Dexter, Iowa, to Des Moines, which has been delayed about 6 months as a result of that. That has been turned over to the Federal Government for condemnation.

That about summarizes the total delays we have.

Mr. FALLON. I think you have enlightened the membership to a large degree in regard to the application for funds and the length of time it took to get them, because some of us were very much alarmed yesterday. I think the reason why it probably had not been called to

the attention of the members is because it had been working so well in their States.

Mr. BRICE. That is right.

Mr. FALLON. Are there any questions?

Mr. SCHWENDEL. I have no questions, but I want to commend the witness by saying that he has been a very fine witness, and again I want to say Iowa has an enviable record, as this committee saw when they visited our State and spent an evening with our highway commission at that time. We learned from them and they learned from us. This is typical of things that happen in Iowa that put us in a position of leadership among the States in many of these programs.

Our highway commission people are dedicated to building a road system. They know the importance of it, and they take advantage of every opportunity to do a good job. I am very proud of them.

Mr. FALLON. The Chair would like to join in the remarks of the distinguished gentleman from Iowa.

Mr. BALDWIN. I would like to say, Mr. Brice, that this committee has been privileged to have on it a member from the State of Iowa, Fred Schwengel, and I want to assure you and the other people of the State of Iowa that he has rendered very valuable and very conscientious and very diligent service, and I think we have a better committee because of his service on it.

Mrs. BLITCH. Will the gentleman yield?

I would certainly like to associate myself with the remarks made by the gentleman from California regarding my colleague, Mr. Schwengel.

I would also like to say to the representative of the State Highway Department of Iowa that he has made a very commendable statement, but unfortunately I could not hear all of it.

What I would like to ask is, Are you appearing for or against the bill here?

Mr. BRICE. Could I avoid a "Yes" or "No" answer on that?

Mr. FALLON. Let me interrupt and let me see if I understood the witness correctly.

Mr. BRICE. Yes.

Mr. FALLON. If I understood the gentleman correctly, you are not opposed to reimbursement for toll roads or free roads?

Mr. BRICE. That is right.

Mr. FALLON. But you are suggesting that be done at the end of the program, rather than at the present time.

Mr. BRICE. Yes.

Mrs. BLITCH. I thank the gentleman, because I was not sure as to what his statement was.

Mr. FALLON. Are there any other questions?

Mr. BYRNE. I would like to associate myself with the remarks of the gentleman from Iowa and the gentleman from California. I, too, was a part of the subcommittee that visited your fine State and was with the witness and other gentlemen who have this program in hand. I want to commend the State of Iowa also for the progress they have made in this road program.

Mr. BRICE. Thank you, sir.

Mr. FALLON. We have with us Mr. Ostertag, Member of Congress from the State of New York.

You may proceed in your own way, Mr. Ostertag.

STATEMENT OF HON. HAROLD C. OSTERTAG, MEMBER OF CONGRESS
FROM THE STATE OF NEW YORK

Mr. OSTERTAG. Thank you, Mr. Chairman.

Mr. Chairman, I wish to thank you for the privilege of making this statement to the committee in support of my bill, H. R. 11556. Along with many of our colleagues, I believe we should amend the Federal-Aid Highway Act of 1956 to do justice for those States which constructed on their own, parts of the approved National System of Interstate and Defense Highways. My bill would permit these States to designate other routes for inclusion in the Interstate System, in lieu of those which they constructed prior to June 30, 1957.

It seems to me that this is the just and fair thing to do. Not to do this would place the Congress in the position of penalizing progress. For the States which built part of the authorized Interstate System without waiting for the assistance of the Federal-Aid Act, did so to keep abreast of the needs of traffic and transportation in our Nation. The Interstate Highway System was authorized in 1944, but the Highway Act was not passed by Congress until 12 years later. Many States, like the State of New York, could not afford to wait that long. The State was forced to go ahead with necessary road construction to relieve increasing traffic congestion.

In New York, the State had completed, or partially completed, by June 30, 1957, 568 miles of the Interstate System within its borders. This was done at a cost of more than \$1 billion. But instead of receiving 90 percent Federal aid in this tremendous highway program, New York State received about 12 percent Federal aid in this construction. This is a difference of more than \$800 million. For its progressiveness, its service to the motoring public, New York State should not be penalized under the Federal-Aid Highway Act, but should be permitted to gain reimbursement for this necessary construction, just as other States are doing and will do. This same situation applies to many other States of the Union which took the lead in providing the tremendous National Highway System. My bill would permit them to designate other mileage for that which they constructed without 90 percent aid.

It should be noted that these States which proceeded earlier with this construction have done so at lower construction costs than now exist, and thereby provided a dividend for the entire program. As you are aware, I have joined with many of my colleagues in introducing legislation to correct the inequities and I urge your committee to give favorable consideration to this cause.

Thank you.

Mr. FALLON. Are there any questions of Mr. Ostertag?

(No response.)

Mr. FALLON. If not, the committee will recess until 2 o'clock.

(Whereupon, at 12:20 p. m. the committee recessed until 2 p. m. of the same day.)

AFTERNOON SESSION

Mr. ROGERS. The committee will come to order please.

We will continue with the testimony. The committee will be pleased to hear now the executive director of the New Jersey High-

way Authority, representing the American Bridge, Tunnel & Turnpike Association, Inc., Mr. Tonti.

Mr. Tonti, will you please state your name for the reporter?

**STATEMENT OF D. LOUIS TONTI, PRESIDENT, ACCOMPANIED BY
J. ALLYN STEARNS, EXECUTIVE SECRETARY OF THE AMERICAN
BRIDGE, TUNNEL & TURNPIKE ASSOCIATION**

Mr. TONTI. My name is D. Louis Tonti, of Paramus, N. J., and I am executive director of the New Jersey Highway Authority, which constructed and operates the Garden State Parkway. I am also president of the American Bridge, Tunnel & Turnpike Association, Inc., and appear here in that capacity.

The association is a nonprofit, nonstock membership corporation which was organized in 1932 and reorganized and incorporated in 1950. Its voting membership is composed of 71 bridge, tunnel, and turnpike agencies authorized to collect tolls from vehicular traffic in 28 States.

To indicate our deep interest in the provisions of H. R. 10422 and H. R. 10921 before your honorable committee, I would like to give you some figures on our membership.

Out of the total of 3,263 miles of toll road projects in the United States, 16 toll road member agencies of the association have operating or under construction 2,819 miles of toll roads which cost \$4,980 million. Two thousand five hundred and thirty-one miles of these superhighways are in operation. A total of 1,866 miles of our members' roads have been approved for incorporation in the Interstate System and 88 additional miles are being considered, or 57 percent of the total. Fifty-five toll bridge and tunnel member agencies are operating facilities which cost \$1,250 million, but we have no knowledge how many of these are incorporated, or to be incorporated, in the Interstate System.

Therefore, a total of \$6,230 million of toll projects is represented by members of the association, excluding projects in foreign countries.

At the outset, I would like to thank the committee for the opportunity of appearing before it in connection with this most important subject. The comments which I will make with respect to H. R. 10422 and H. R. 10921 will necessarily be general in character representing the views of the American Bridge, Tunnel & Turnpike Association, Inc. I have made a sincere effort in the limited time available to me for preparation to canvass the members of the association by telephone. My remarks represent a view endorsed by a substantial majority of the interested members of the association, which incidentally meets next week in this city, at the end of the week. As a matter of fact, it should be understood that a number of our members may have views differing sharply from those expressed here.

Both measures presently being studied by this committee would recognize the contribution made by States which have constructed or planned toll highway facilities prior to the Federal-Aid Highway Act of 1956. Faced with the problem of inadequate highway facilities in the postwar years, these States, with diligence and foresight, provided superior facilities, using private capital when tax funds were not available. These limited access toll highway facilities diverted a

considerable amount of traffic from older, congested routes. No one would contend that these superhighways were intended to cure the ills of traffic congestion. They serve only to meet the most urgent necessities.

Indeed, self-liquidating toll facilities could not be privately financed except in areas of the most emergent need. These public highway arteries, constructed at a cost of almost \$5 billion, have widened the effective scope of the Federal-Aid Highway Act of 1956 to include many more miles of interstate routes than would have been possible under the present allocation of funds under the act. Accordingly, this association vigorously endorses the principle incorporated in both bills, the effect of which would avoid penalizing those States which have met the most immediate and pressing traffic problems by the construction of toll facilities. In many cases it would have been impossible to finance these roads on a self-supporting basis were it not for the heavy demands of interstate vehicle movement, a fact recognized by the incorporation of 57 percent of the total miles of such roads in the Interstate System.

On behalf of the American Bridge, Tunnel & Turnpike Association, I should like to present two observations with respect to the proposed legislation:

1. The date of June 30, 1958, can advantageously be moved forward several years in order not to inhibit the construction of additional toll facilities. It is quite possible that some of the States may wish to meet a critical traffic need by a self-liquidating project in order to avail itself of the existing allocations under the bill to make further improvements on the primary, secondary, or urban road system. Such commendable planning should not be discouraged by the 1958 date.

2. Both measures provide for a credit to the individual States based upon the mileage of any toll road, bridge, or tunnel approved by the Secretary of Commerce as part of the Interstate System. While this formula has the virtue of simplicity, it could not operate equitably except by accident. The cost of constructing the sections of these facilities approved as part of the Interstate System is readily ascertainable. We respectfully suggest that the intention of Congress might better be served, and a more just apportionment of funds provided, if the credits to be allowed on account of toll facilities were to be directly related to the cost of constructing the particular facility, or the section thereof certified for incorporation into the Interstate System.

The committee will appreciate the deep interests of the association in this legislation. We are convinced that public toll highway facilities must be an integral part of overall planning of the Nation's highways. The location and the very existence of these facilities are due entirely to the economic demands of the United States and, as I have pointed out, these demands arose directly as a result of interstate rather than local traffic. Being, for the most part, limited access highways, they are designed for and carry long-haul through traffic. In times of national emergencies, these facilities would be of prime importance.

Conscious of the volume of work before this committee, I have tried to be as brief as possible in my remarks. In this endeavor, I have not submitted detailed, analytical information which supports the

views which I have expressed. I trust that the committee will find this brief contribution to have some value and I will be pleased to arrange for preparation and submission of a supporting brief if the committee will afford such an opportunity to the association.

Mr. ROGERS. Thank you very much, Mr. Tonti. We appreciate your fine and concise statement, which has been most helpful to the committee.

There may now be some questions, and we will proceed to the questions.

Mrs. Blitch, do you have any questions of Mr. Tonti?

Mrs. BLITCH. I want to ask Mr. Tonti if he is in favor of the interstate program as passed by Congress in the 1956 act.

Mr. TONTI. Most certainly, yes.

Mrs. BLITCH. Would he be very hesitant about going into anything at this particular time that would jeopardize getting the interstate program under way?

Mr. TONTI. I certainly believe that nothing should be done to jeopardize the program. As a matter of fact, quite the contrary. Everything should be done to expedite it in order to accomplish its laudable objectives.

Mrs. BLITCH. Did you read that the interstate program as of now has not really gotten under way?

Mr. TONTI. I painfully must concede that that is so; yes.

Mrs. BLITCH. Thank you.

Mr. BALDWIN. Mr. Tonti, would it be a true statement to say that the great majority of the turnpikes and bridges in the association you represent were authorized prior to the passage of the Highway Act of 1956, and would have been built whether or not we had ever passed that particular act?

Mr. TONTI. I think it is fair to say that if the 1956 act were passed in 1946, that possibly many of the toll facilities would not have been built.

Mr. BALDWIN. That is not the question I asked.

Mr. TONTI. I am sorry.

Mr. BALDWIN. My question is, is it not a fact that the great majority of the turnpikes and the toll bridges represented by your association were authorized prior to the passage of the Federal Highway Act of 1956, and would have therefore been built even if that act had never been passed?

Mr. TONTI. I think that is quite so; yes.

Mr. BALDWIN. Is it not also true that a considerable number of States that have these turnpikes have made application to bring these turnpikes into the Interstate System after we passed the Interstate System Act of 1956, fully knowing therefore that the matter of reimbursement had yet finally to be determined by the Congress?

Mr. TONTI. That is true.

Mr. BALDWIN. Let me ask you this further question: What would be your reaction and the reaction of the American Bridge, Tunnel, and Turnpike Association if the Congress saw fit to make some provision for reimbursement, but to make an ironclad provision that reimbursement would occur only if the toll road for which the reimbursement were made would be free?

Mr. TONTI. Sir, I certainly believe that that suggestion has some very dangerous implications not in the public interest. First of all,

it is inconceivable that any bond indenture could remain unviolated by having a segment of a toll road made free. It is conceivable that some toll roads in their entirety could be made free by the payment of all outstanding bonds if the due date for payment has not been reached, and if the penalty clause provisions can be met. But I wonder if we are even able to overcome the legal obstacles which I think are present in almost every bond indenture?

I wonder if it is economically sound to consider such a possibility, for two reasons. To do so would mean paying and buying up some bonds. I do not think it was the intent of Congress to provide for the purchase of bonds which certainly does not provide roadways with available moneys. The motorists cannot ride on paid-up bonds. But more important than that, I believe that it is to the interests of the national highway program to have as many facilities as we possibly can make available to the motorist. If this means combining highway tax funds with private capital in order to make an integrated system of highways in this Nation available to the motorist, then we should incorporate both principles of acquiring and using funds to construct highways; namely, on the one hand private capital and on the other hand the tax sources available under the provisions of the 1956 act, and together providing the best possible highway system we can for the American public.

Mr. BALDWIN. Mr. Tonti, I want to make clear the purpose of my question. My question was not because I necessarily advocate that, but that has been one of the things that has been of concern to many members of this committee—the fact that if we make any proposal that the people from our States share in raising the funds to pay to the States that have these toll roads and pay them an equivalent amount, it is a great concern to us when they get through paying that they will still pay to use those roads.

Your testimony is somewhat in contradiction to that of Congressman Pillion this morning, when he said the New York State Thruway depended 75 percent to 80 percent on intrastate traffic, whereas your statement on page 5 says:

The location and the very existence of these facilities are due entirely to the economic demands of the United States and, as I have pointed out, these demands arose directly as a result of interstate rather than local traffic.

If the purpose of these roads is to provide for interstate needs, then it makes it even more difficult for us to explain to our people, after we have raised taxes from the people of the country to pay to these States which have built these toll roads, that when we get through they will still pay tolls when they go over them.

Mr. TONTI. I do not see any difficulty with that, Mr. Congressman, for this reason: There is no monopoly between two points served by a toll road. There are many roads in the States that have toll roads that can be used in interstate travel by folks from California, for example. As a matter of fact, those roads were made possible by virtue of the fact that some of the needs in New Jersey were filled by toll-road facilities. The toll-road facilities made the secondary routes more usable by the persons seeking the "free road" coming from California, let us say. So therefore there is really no conflict.

A person coming from California can still find in New Jersey the available free roads. As a matter of fact, he can find them better by

virtue of the fact that New Jersey did in its diligence build two toll roads to relieve those particular free roads of heavily congested traffic. So both the interests of the person in California and the person in New Jersey have been certainly served.

Mr. BALDWIN. Let me see if I can summarize accurately your testimony on the point of whether or not toll roads should be free. As I understand your testimony you have stated, No. 1, in the case of some toll roads and freeways there would be legal obstacles which would make it impossible for them to be free; and, No. 2, in the case of some toll roads where only a portion are on the Interstate System, there would be a further obstacle because if we were reimbursing some portion of the interstate route we would not necessarily be paying off the whole of the bonds that would cover the whole toll road. Is that a fairly accurate summary?

Mr. TONTI. On your last point, Congressman, I want to add just this: To free just a segment of a toll road tends to violate the integrity of its entire toll structure and, therefore, it would not be feasible, forgetting the legal obstacles, and not desirable, because that section will become so congested with traffic that the need for a paralleling route and the expenditure of funds for it will develop very, very quickly.

Mr. BALDWIN. One more question. May I ask you why so many of the States from which these toll roads come have made application on their own initiative to bring these toll roads into the system last year?

Mr. TONTI. A very good reason. If these toll roads are to meet their obligations under the bond indenture and if the public interest is to be served by not wasting funds on duplicating facilities, then by getting segments of these toll roads, or the entire toll roads on the Interstate System, by definition of the 1956 act that will preclude the possibility of wasteful duplication of existing toll facilities which are now carrying traffic to the extent of 8 and 9 billion vehicle-miles per year. So, it was sound planning and thinking of these States so to protect the interests of the State by getting segments of the toll roads declared on the Interstate System to avoid the possibility of duplication by a similar facility paralleling the toll road.

Mr. BALDWIN. Thank you.

Mr. ROGERS. Are there any other questions?

Mr. DOOLEY. I would like to compliment Mr. Tonti on his very fine statement and particularly for pinpointing the importance of the toll highways in the various States on the Interstate System. I would also like to compliment him on the character and quality of his associate, Mr. J. Allyn Stearns, executive secretary of the organization, an old friend of mine from White Plains for a long time.

I would like to ask you this: The New Jersey toll road pays dividends. It is going well, is it not?

Mr. TONTI. We are paying our bills.

Mr. DOOLEY. If the traffic is such that it will increase or multiply immensely over the years, beyond the normal expectations, is there a clause which would allow acceleration of payments on the bonds, or not?

Mr. TONTI. Yes, sir. And, as a matter of fact, acceleration has already begun on the New Jersey Turnpike. Then, as you probably know, most toll roads are held in trust by an authority and when the

bonds are all paid they convey the facility to the State highway departments who can, in their wisdom, decide whether to have continued tolls, or to make them toll free.

Mr. DOOLEY. Not like the Port of New York Authority, which continues them indefinitely.

Mr. TONTI. No comment.

Mr. DOOLEY. Thank you very much.

Mr. STAUFFER. I thought you might be interested to know that the New Jersey Turnpike is probably one of the best, or the best-paying, turnpikes in the country.

Mr. DOOLEY. A great road.

Mr. STAUFFER. It has already been found to be inadequate and, as I understand it, you have widened it for about half the distance.

Mr. TONTI. Sixty-six miles. Yes.

Mr. STAUFFER. The Garden State Parkway has been profitable, I believe, has it not? Or do you believe it has not been to the extent of the New Jersey Turnpike?

Mr. TONTI. Mr. Congressman, as a matter of fact when you point to the parkway you have a visual representation of what can happen when you build a toll road and then later on make a segment of it free. The Garden State Parkway is distinguished from most toll roads by the fact that by statute it has several free sections in one of the most highly urbanized areas of north Jersey. That section is free and the congestion developing in that section has reached the point where by 1960 it is conceivable that the Garden State Parkway and the highway authority will not be able to meet its obligations under the bond indenture when payments on principal become accelerated under our formula after 1960.

When that happens, by virtue of the fact that some of our bonds, \$285 million worth, are backed by the credit of the State of New Jersey, it means the State will have to reach into some of its highway funds, which it needs so desperately, to make these payments.

I am pointing to the very serious implications of ever making segments of a toll road free. It is a visual representation of what may happen. The parkway is paying its bills now but after 1960 we do not know, unless we are able to do something about inhibiting some of the free sections of the parkway.

Mr. BYRNE. Mr. Tonti, with reference to this contrast between toll roads and freeways, is there not an analogy that has to do, for instance, with bridges that have been built in the past 25 or more years, where in some instances they make a charge to cross that bridge and in other instances in the same locality there is a free bridge?

Mr. TONTI. That happens in some locations.

Mr. BYRNE. For instance, across the Hudson was there not one bridge around Bear Mountain, or some such place, which is still there, where the original fee was \$1 to get across the river there?

Mr. TONTI. That is right.

Mr. BYRNE. And I think the fee was progressively lowered from that time, was it not?

Mr. TONTI. It is now 25 cents I am advised.

Mr. BYRNE. And in some localities like New York and Chicago, and the like, they have free bridges and also have bridges where they charge a fee?

Mr. TONTI. Both kinds. That is right.

Mr. BYRNE. And if you came from Ypsilanti, or Three Rivers, or somewhere else, and you wanted to jump in the lake, you got a free ride regardless of where you came from. Is that not true?

Mr. TONTI. That is very true.

Mr. BYRNE. And back in Chicago, to pick a town I come from, there is a fellow named Jimmy Petrillo who seems to come up with some bands and artists, you know. If you come in there on a convention or a vacation you can go out in Grant Park and hear the finest of music. You might hear the fellow who plays the violin with Truman, for free. If you went to see it on Broadway you might pay \$7.70, or \$8.80, or \$9.90, or something like that, with \$2 on top. Is that right?

Mr. TONTI. That is true.

Mr. BYRNE. So the question of whether you get it for free or pay for it is not limited to any section of the country, is it?

Mr. TONTI. Not at all.

Mr. BYRNE. My wife comes from New Jersey.

Mr. TONTI. Good. I already like Mrs. Byrne.

Mr. BYRNE. I paid a lot of fees when I was courting her, too.

Mr. ROBISON. For my own information, is the New York State Thruway a member of your association?

Mr. TONTI. Yes, it is; and I understand Governor Harriman will be represented here today by a very fine young man, Mr. James Wright, who I understand will speak on that question.

Mr. McFALL. One question, Mr. Tonti. When you say there are 1,866 miles of toll roads on the Interstate System, I think on the first page of your presentation—

Mr. TONTI. Yes, sir.

Mr. McFALL. Do you have any idea as to the date that this mileage has come into the system? Of course, there was some in originally, and some has come in since that time. More recently there has been a large amount that has come in. Is that not correct?

Mr. TONTI. I believe, sir, the determination was made after considerable study since the 1956 act was passed, and the determination was announced by Mr. Tallamy on August 21, 1957, on all of these roads.

Mr. McFALL. In other words, Mr. Tallamy in his administrative ruling in 1957 put a considerable portion of this toll road mileage into the system. Is that correct?

Mr. TONTI. Yes, he did. According to this information, 2,100 miles of toll roads, in 15 States.

Mr. McFALL. Thank you.

Mr. ROGERS. Thank you very much, Mr. Tonti. The committee also would like to acknowledge the presence of Mr. Stearns. We appreciate very much your coming and making this information available to the committee.

Mr. TONTI. We thank you for the opportunity.

Mr. STEARNS. Thank you, Mr. Chairman.

EXTENSION OF THE REMARKS OF D. LOUIS TONTI, PRESIDENT OF THE AMERICAN BRIDGE, TUNNEL, AND TURNPIKE ASSOCIATION, INC.

By permission of the committee, this brief, in support of the principle incorporated in H. R. 10422 and H. R. 10921, is respectfully submitted.

As set forth in paragraph 8 of the initial statement:

"Indeed, self-liquidating toll facilities could not be privately financed except in areas of the most urgent need. These public highway arteries, constructed at a cost of almost \$5 billion, have widened the effective scope of the Federal-Aid Highway Act of 1956 to include many more miles of interstate routes than would have been possible under the present allocation of funds under the act. Accordingly, this association vigorously endorses the principle incorporated in both bills, the effect of which would avoid penalizing those States which have met the most immediate and pressing traffic problems by construction of toll facilities."

BACKGROUND AND SCOPE OF THE PROBLEM

1. The idea that reimbursement might be made to the States on account of toll roads, bridges, or tunnels previously constructed without burden on Federal funds and available as physical portions of the Interstate System, originated in the 1954 studies for highways by the Clay Committee. The idea was given substance by its inclusion in the highway bill considered and rejected by Congress in 1955. That bill proposed that States be credited for the depreciated construction costs of toll highways, less 10 percent.

2. Federal-Aid Highway Act of 1956 (sec. 114) declares the intent and policy of the Congress to determine whether or not the Federal Government should equitably reimburse *any State* for a portion of a highway which is on the Interstate System, whether toll or free, the construction of which has been completed subsequent to August 2, 1947. [Emphasis ours.] To this end the act provides that the time, method, and amounts of such reimbursement, if any, shall be determined by the Congress following a study which the Secretary of Commerce was authorized and directed to conduct in cooperation with the State highway departments.

3. The Secretary of Commerce has completed such a study and his report has been filed (H. Doc. 301, 85th Cong., 2d sess.).

4. The views of many experts have been expressed both for and against various plans of reimbursement (Engineering News-Record, Jan. 24, 1957, p. 64).

5. The Commerce Department has established the policy that Federal funds provided under the Federal-Aid Highway Act of 1956 will not be expended on interstate highways duplicating facilities meeting the required standards or paralleling a toll road adequate to serve existing and future traffic requirements.¹ It is assumed that this policy will continue.

THE FACTS

1. The Federal-Aid Highway Act of 1956 is now law. The act declares the intent and policy of the Congress to determine whether or not the Federal Government should equitably reimburse *any State* for a portion of a satisfactory highway, toll or free, which is on the Interstate System.

2. The report of the Secretary of Commerce submitted pursuant to section 114 of the act is now available (H. Doc. 301, above). The report shows that 47 of the States would qualify for the projected reimbursements. Those States, by their own efforts and by their own various means of financing, have given relief to the Federal Government on about 26.2 percent of the 41,000-mile Interstate System. As basis for the reimbursements, the States by prior construction had established potential credits amounting to 10,859 miles (8,909 tax-supported, 1,950 toll-supported) out of the 38,548 Interstate System miles specifically located by September 1957.

3. The Secretary's report further gives to the Congress tabulations of depreciated costs regarding these projects already being made available to the Nation. It is noted that Federal funds were used to the extent of only about 18.3 percent of the tabulated costs. Regarding such costs, the report states:

"Costs reported excluded so-called nonhighway costs. These nonhighway costs, which are most commonly encountered on toll road work, included:

"1. Financing costs such as interest payments, bond discounts, financing fees, and other administrative costs.

"2. Costs attributable to toll operation such as toll gates, collection facilities, buildings, and highway facilities solely for toll purposes.

"3. Costs of service facilities such as those for maintenance operations and for food and fuel."

¹Louis S. Rothschild, Under Secretary, release dated September 10, 1956; Sinclair Weeks, Secretary, reported in Daily Bond Buyer, October 8, 1956.

The depreciated amount, if any, to be reimbursed to a particular State on the basis of the "cost" (so computed) of any complete and modern express highway would obviously in most cases be less than the principal amount of the revenue or other bonds issued on account of the project and payable from its revenues. Possibly because the objectives of the reimbursements seem to be (1) equity among the States and (2) provision therefrom for needed additional mileage on an improved Federal Highway System, the Secretary's report rightly does not attempt to determine whether such bonds could be retired from the proposed reimbursements.

4. The legal status and financing arrangements of toll highway, toll bridge, and toll tunnel agencies follow no uniform pattern. The obligor in bonds issued on account of such projects is in some instances the State itself and in other instances an independent corporate public instrumentality. The following table is not inclusive but illustrative:

Project	Revenue bonds of—	Controlled and operated by—
Pennsylvania Turnpike.....	Commonwealth of Pennsylvania.....	Pennsylvania Turnpike Commission.
Ohio Turnpike.....	State of Ohio.....	Ohio Turnpike Commission.
Maryland bridges (Baltimore Harbor crossing).....	State of Maryland.....	State Highway Department.
West Virginia Turnpike.....	State of West Virginia.....	West Virginia Turnpike Commission.
Connecticut Turnpike.....	State of Connecticut.....	State Highway Department.
Kentucky Turnpike.....	Commonwealth of Kentucky.....	Do.
Maine Turnpike.....	Maine Turnpike Authority.....	Maine Turnpike Authority.
New York State Thruway.....	New York State Thruway Authority.....	New York State Thruway Authority.
New Jersey Turnpike.....	New Jersey Turnpike Authority.....	New Jersey Turnpike Authority.
Oklahoma Turnpikes.....	Oklahoma Turnpike Authority.....	Oklahoma Turnpike Authority.
Richmond-Petersburg Turnpike.....	The Richmond-Petersburg Turnpike Authority.....	The Richmond-Petersburg Turnpike Authority.

Further variations exist. For example, certain of the outstanding bonds issued by the above New York State Thruway Authority carry the full faith and guaranty of the State of New York. Regarding Connecticut's bonds payable from the turnpike revenues, the State gas tax may also be applied to their payment, and some issues also carry the full faith and credit of the State.

ARGUMENT

The scope of legislation to be enacted by Congress, if the Highway Act of 1956 is to be implemented in the respect under consideration, should meet three controlling considerations: (a) the legislation should provide for reimbursement to States; (b) any reimbursement and its effect should be equitable; and (c) any legislation should protect against wasteful duplication of existing toll roads, bridges, and tunnels and resulting impairment of the States' abilities to undertake highway extension programs.

As to ultimate objectives, the present bills properly are intended to achieve improvements and extensions of the national highway system which otherwise could not be obtained. If enacted, the bills are expected (under the Secretary's present estimates) to provide many additional miles of the safe and modern highways so badly needed in the Union. This is the proper objective of all Federal-aid highway legislation.

The American Bridge, Tunnel & Turnpike Association wishes to make it entirely clear that it takes no position with respect to implementation of legislation incorporating the principles which this brief supports, but it believes that cost as a basis for reimbursement may be more equitable than mere mileage and would probably make possible a desirable degree of flexibility in planning and administration. The association takes no position with respect to the acceptability of the proposed bills to State governments as such.

Subject to details regarding final form (see appendix below), the association supports in principle the bills to which this brief is directed for the following reasons:

A. The bills recognize the primary equity to which consideration should be given, by reimbursement to States in recognition of the fact that mileage now included in the Interstate System has or is being constructed by or on behalf of the States and is to be operated on a revenue-producing basis, and that such

segments so constructed and operated meet with design criteria for the Interstate System and have been or may be physically incorporated into that system.

B. The principle embodied in the bills has the virtue of simplicity and may be workably implemented.

C. By implementing section 114 of the Federal-Aid Highway Act of 1956, the bills would achieve the prime objective of providing additional stretches of badly needed safe and modern highway (10,859 miles, according to the Secretary's report).

D. The bills would not adversely affect the rights or financial position of States having existing toll roads, bridges, or tunnels or the rights of the holders of any outstanding bonds issued on account of such projects in the event the policy determinations regarding duplication of highways and competition with existing facilities is adhered to or (preferably) stated in the legislation. Competitive duplication of modern and adequate facilities can only increase the burden on the States' maintenance funds and reduce their abilities to produce construction and matching funds for the Federal system, and it would be contrary to the expressed policy that funds reimbursed should be used for constructing highways.

E. Any plan to direct use of the reimbursements for the purpose of making toll facilities "free" (tax-supported) at an earlier date through the purchase or retirement of the outstanding bonds could not be effective until acted upon and supplemented by the States and obviously should not at this time be fixed upon by the Congress. If funds, initially reimbursed to the States, are to be later channeled solely to accelerated "freeing" of toll facilities, (i) State legislation to apply the funds would be necessary in nearly all instances, (ii) the application of such funds would in each case be subject to the contracts made by the State with the bondholders, which differ widely and may prevent effective use of the funds for a considerable period of time, (iii) in most cases, the funds would be insufficient to achieve the desired result of paying off the bonds, and supplemental appropriations of tax money by the State would be necessary, (iv) such action could endanger the whole structure of a toll system if applied only to an integrated portion, and, most important, (v) not one additional mile of Federal-system highway would be provided for the public and, indeed, the system would be reduced by reason of the added maintenance and reconstruction costs to be met by the States from tax funds otherwise available for construction.

DETAILS OF THE LEGISLATION

In order to assure the objective of providing more free mileage without uneconomic and wasteful duplication of existing facilities, it is, of course, important to be sure that the credits (existing mileage) for the extended program take account of all appropriate facilities now provided or to be provided in the various States. In this respect the present bills seem only to give credit for toll facilities, but it is assumed that, as mentioned in the Federal-Aid Highway Act of 1956, tax-supported facilities are also to be bases for reimbursements.

Furthermore, the bills may possibly be said in their present form to bar the Government and highway system from the benefits of (i) mileage on the Interstate System provided by a State through agencies other than the highway department and (ii) mileage on the Interstate System which some States are planning to provide in the immediate future but not necessarily by June 30, 1958.

With the thought of suggesting possible means for covering these and other points, appendix A has been prepared and is attached hereto. Perhaps this will be of some use to the committee. It constitutes a suggested redraft of the pertinent provision. For convenience, it is set forth as a revision of subsection (a) of section 113A as it would be added to the Federal-Aid Highway Act of 1956 by H. R. 10921.

CONCLUSION

Upon the basis of the declared intent and policy of the Congress to determine whether or not the Federal Government should equitably reimburse any State for a portion of a highway which is on the Interstate System, upon the basis of the facts herein set forth, and because of demonstrable inequities and confusion which would arise from the enactment of alternative legislation requiring the application of funds for the purchase or retirement of bonds outstanding on account of toll highway projects, the principle expressed in H. R. 10422 and H. R. 10921 is fully endorsed.

APPENDIX A

REVISION OF SUBSECTION (A) OF SECTION 113A OF THE FEDERAL AID HIGHWAY ACT OF 1956 AS PROPOSED TO BE ADDED BY H. R. 10921

"(a) Each State within the boundaries of which may be located any road, bridge, or tunnel, free or toll, approved by the Secretary as part of the Interstate System under section 113 (a) of this Act on or before June 30, 1959, may from time to time designate from among those highways which on the date of enactment of this amendment¹ are part of the Federal-aid primary highway system within that State other highways or sections thereof which shall not exceed in length the number of miles² of such road, bridge, or tunnel: *Provided*, That the highway department of such State shall have certified to the Secretary, and the Secretary shall have approved, a determination that construction or improvement of such other highways or sections and operation thereof as so constructed or improved will not materially affect adversely the revenues derived or (as then planned) to be derived from any road, bridge, or tunnel, or the security of any bonds or other debts payable from such revenues: *And provided further*, That the Federal share payable under any other provision of this section to such State on account of such other highways or sections shall be reduced by the amount of all Federal-aid highway funds previously paid to such State on account of such road, bridge, or tunnel so approved as part of the Interstate System: *And provided lastly*, That no toll shall be collected on such other highways or sections."

Mr. ROGERS. The committee will now be pleased to hear Mr. George J. Richards, Deputy Secretary of Highways of Pennsylvania, Harrisburg, Pa. Mr. Richards.

STATEMENT OF GEORGE J. RICHARDS, DEPUTY SECRETARY OF HIGHWAYS OF PENNSYLVANIA, HARRISBURG, PA.

Mr. RICHARDS. Mr. Chairman, Governor Leader regrets very much he is unable to be here in response to the invitation of Chairman Buckley. He has asked that I present his views for him.

I do not represent the Pennsylvania Turnpike Commission, so any questions asked me are from my own information and not as their representative. Governor Leader strongly supports the policy that the Federal Government equitably reimburse the States for the free and toll highways within their boundaries which have been incorporated in the Interstate Highway System. The Governor believes that the completion of the Interstate System within the period originally designated, or sooner, is vital to the national defense, the development of our industry and economy, and the improvement of our general welfare.

We are faced at this time with a shortage of money in the trust fund and a \$10 billion increase in costs of the Interstate System. We urge that funds be found, either by increasing the income to the trust fund, suspending for at least 3 years the Byrd amendment, section 209 (g) of the Federal Highway Act of 1956, or otherwise put the construction of the Interstate System financially on or ahead of schedule.

I understand that Mr. Fallon introduced a bill on the House side to accomplish that, and S. 3414, now being debated on the Senate side is a similar bill, and they are designed by both Houses to accomplish that objective.

¹ It may be questioned whether national interest is served by limiting use of reimbursements to existing (1958) Federal-aid primary highway system.

² Unless cost is adopted as the determinant.

While we believe the policy of reimbursing the States for free and toll roads should be established as early as practicable, actual reimbursements should, under present financial conditions, await a time when the Interstate System is on its way to an assured completion on time or sooner. We strongly oppose any measures which would divert funds from this early completion of the presently designated Interstate System, or from the increased tempo of improvement of the ABC system.

When the States are reimbursed for their free and toll highways on the Interstate System we suggest that the funds be available to retire toll road bonds and construct or reconstruct such State and Federal-aid highways as each State may elect. For example, it is our desire to make the Pennsylvania Turnpike a free system instead of a toll road, and do that as soon as possible.

U. S. 22 is an interstate limited access highway, partially completed through Pennsylvania, and 4 lanes with the exception of a few miles, and 4 lanes through New Jersey. Traffic coming to and from New York west, bound in that direction, uses the turnpike as far as the Middlesex interchange near Carlisle. Formerly, before U. S. 22 became such a fine highway the trucks continued on to Valley Forge and crossed the Delaware near Trenton and then used the New Jersey Turnpike.

The Pennsylvania Turnpike has now lost those tolls and, with the construction of the Pennsylvania Shortway, which will run from Youngstown, Ohio, Sharon, Pa., area to Stroudsburg and east to New York City, we have a free highway which will run from Milwaukee, Chicago, Toledo, Detroit, Cleveland, Youngstown, again as I said directly east to New York City. Through Pennsylvania and New Jersey that will be a free highway.

Competing with that we will have a turnpike which is now a toll highway. It will take some of the traffic from Cleveland, Chicago, and Detroit bound for Philadelphia. It also will take traffic from St. Louis, East St. Louis, Indianapolis, Columbus, Ohio, and so forth, directly east to the ports of Philadelphia and Washington, and the port of Baltimore.

We in Pennsylvania do not feel those who travel the southern route should pay tolls while those who travel the northern route to New York City should be free of toll. Therefore, we desire to retire bonds on the turnpike as soon as practicable. In answer to one of your previous questions, Mr. Baldwin, after 1959 there is no statutory limitation on the retirement of such bonds as may remain. Of course, there is a premium from 3 percent on down to zero at the time of retirement. A portion of those bonds are being retired now, but after 1959, and practically all the remainder, there is no restriction whatsoever.

In Pennsylvania we have some 42,000 miles of highways under the jurisdiction of the Pennsylvania State Highway Department. Twenty-one thousand are on the Federal-aid Highway System, of which 1,500 are on the Interstate System.

Twenty-one thousand miles—practically an equal number of miles—are wholly financed for construction and reconstruction by the State. We have had an entirely insufficient amount of money available to the State Highway Department to maintain and reconstruct those 21,000

miles. During the past few years, and particularly since the Federal-Aid Highway Act of 1956, we have used the funds available to match the Federal-aid funds and as such, we have not been able to devote as much as we should like to the construction and reconstruction of these 21,000 miles.

Therefore, we ask that whatever funds are made available to the States for reimbursing us for the free roads which we were foresighted enough to construct in these vital areas, be permitted to be used by the States as they see fit. Certainly we would use a portion of them on the Interstate System, but we would not like to be restricted to that. We would like to divert some of the funds to our own 100 percent State system—the farm-to-market roads.

I would like to make one point clear also, which is that the Constitution of Pennsylvania says that the income from the gasoline taxes and similar taxes goes into the motor fund which shall be used for the construction, reconstruction, and maintenance of highways and cannot be used for such things as redemption of bonds.

Mr. ROGERS. All right, sir. That was a very fine statement and we appreciate your being here to give it to us. Are there any questions?

Mr. McFALL. One question. When was the toll road mileage in your system put into the Interstate System? At what time? When was the toll road mileage in your State put into that system?

Mr. RICHARDS. Let me go back into a little bit of the history of the Interstate System, which some of you may know better than I do. I believe it was in 1941 when General Phil Fleming, head of the PWA at that time, recommended to President Roosevelt at the end of World War II there might be an unemployment situation similar to that existing at the end of World War I. President Roosevelt appointed a committee, headed by Mr. MacDonald of the Bureau of Public Roads, which came up and reported to the Congress here, I believe in 1943, on a Federal-Aid Highway System which is very similar to the one which exists now. There were some minor changes.

That was discussed continually until 1947 with the various States, and the various States then agreed—and if you have a map dated 1947 you can see that the present Interstate System is very similar to that one—and I am sure Pennsylvania agreed, either then or subsequently, to the toll turnpike being on the Interstate System.

Now that road cost \$400 million to \$500 million. It is not economically feasible to build a free highway adjacent to that. You have that investment which the economy of the country cannot duplicate.

Mr. McFALL. Let us go backward. How much of the mileage in Pennsylvania that is toll road was put into the Interstate System by Mr. Tallamy in his order of 1957?

Mr. RICHARDS. There are 360 miles from Gateway on the west, at the Ohio State border, to the Delaware River Bridge on the east.

Mr. McFALL. 360 miles?

Mr. RICHARDS. Yes.

Mr. McFALL. Was that put in in August 1957?

Mr. RICHARDS. It was put in as part of the Interstate System. Yes.

Mr. McFALL. As of that date?

Mr. RICHARDS. Approximately.

Mr. McFALL. In that order?

Mr. RICHARDS. Yes.

Mr. McFALL. Was there any other toll mileage in Pennsylvania in the Interstate System prior to that date?

Mr. RICHARDS. Not that I know of.

Mr. McFALL. Thank you.

Mr. BALDWIN. Mr. Richards, as I understand your testimony, your testimony is that you feel we should give No. 1 priority to the completion of the Interstate System as it is now composed.

Mr. RICHARDS. As it is now formulated. Yes, sir.

Mr. BALDWIN. And any proposal for reimbursement, or alternate roads, should be secondary, from a timing standpoint, to the completion of the Interstate System.

Mr. RICHARDS. Yes, sir. I strongly advocate the recognition of the principle that the Federal Government owes the States this money, but as far as its actually being put into effect, I recommend its postponement until such time as we are assured the present Interstate System will be complete.

Mr. BALDWIN. Thank you.

Mr. ROGERS. I am going to ask that we suspend the further questioning of Mr. Richards at this time since there has been a call of the House. We will recess for 15 minutes.

Mr. SCHERER. Before you recess, could I make one statement for the record, because I may not be able to return.

Mr. ROGERS. Certainly, Mr. Scherer.

Mr. SCHERER. Let the record show that I have just talked with C. William O'Neill, the Governor of Ohio. He planned to come to Washington tomorrow to testify on behalf of the principle of reimbursement for States which have built freeways and toll roads, but I advised him that the committee was going to conclude its hearings this afternoon. So he asked me to state for the record that Ohio, and he, as its Governor, favored the principle of reimbursement to States as set forth in my bill, and that he would submit a memorandum which he asked to be incorporated as his testimony in the record.

Mr. ROGERS. Without objection it will be incorporated in the record at this point. The committee will recess and reconvene in 15 minutes. (Whereupon, a recess was taken.)

(The letter mentioned follows:)

THE STATE OF OHIO,
OFFICE OF THE GOVERNOR,
Columbus, June 7, 1958.

HON. GORDON SCHERER,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN SCHERER: Pursuant to the Federal Highway Act of 1956, there have been designated approximately 174.5 miles of the Ohio Turnpike as a part of the National System of Interstate and Defense Highways. Following careful studies by the Ohio Department of Highways and the Ohio Turnpike Commission, it has been determined that the total cost of this mileage (exclusive of such facilities which were constructed in connection with the Ohio Turnpike for the purpose of toll collection, service facilities, etc.) was approximately \$166,500,000.

Since the Ohio Turnpike, like turnpikes in other States, was constructed exclusively by private capital, this designation of such mileage on these turnpikes has the effect of constructing that part of the National System of Interstate and Defense Highways with private capital. In contrast to this situation, other States, which had not ventured forth in such a manner to construct these urgently needed traffic facilities, are enabled to construct all of their portion of

the Interstate Highways System on a 90-10 percent Federal-State matching-fund basis.

You, I know, are deeply concerned with this subject, as evidenced by your introduction in the Congress of your bill (H. R. 10921). We agree with you that this situation should be equalized by legislative action in the Congress.

We do not recommend that Federal or State funds should be appropriated or used to redeem the bonds sold by the various turnpike commissions to finance turnpike facilities. We believe that the Ohio Turnpike Commission should keep faith with the bondholders and, since the turnpike is financially sound, they should continue to operate the facility as a toll highway and that the bonds be retired as originally planned by means of revenues derived from the toll.

We do, however, feel that those States which have constructed portions of the Interstate System with private capital should not be penalized for their progressive highway activity. We believe that these States should be compensated by having their allotted mileage of the Interstate Highway System, or such other system as Congress may determine, increased by a number of miles equal to that which was constructed with private capital and subsequently designated as a part of the National System of Interstate and Defense Highways.

It is, furthermore, our opinion that such mileage should be constructed on a 90-10 percent Federal-State matching basis and be allocated to the States concerned at such future date as the necessary Federal funds for their construction on such basis may feasibly be made available. We do not believe, however, that the construction of the presently designated System of Interstate Highways, which is going forward with rapid strides, should be deferred or disturbed by such compensation.

Sincerely yours,

C. WILLIAM O'NEILL, *Governor.*

Mr. ROGERS. The committee will come to order and we will continue with Mr. Richards.

Mr. RICHARDS. Yes, sir.

Mr. ROGERS. Are there any more questions now of Mr. Richards? Mr. Baldwin, do you have any questions? Mr. Dooley?

Mr. DOOLEY. Yes, I have one thing, Mr. Chairman. General Richards, you have introduced sort of a new note into the testimony by requesting reimbursement on the basis of getting rid of the toll roads and also allowing those funds to be used by the State in any way it wishes.

Mr. RICHARDS. Funds for reimbursement of the free roads. Yes, sir.

Mr. DOOLEY. Rather than for compensating mileage. I think it is worthy of consideration. It is something different than the usual witnesses who have been before this committee on the bills we are considering, and I think it is a good point. Your testimony is very well presented and I want to compliment you on it.

Mr. BALDWIN. General Richards, you were the Budget Director for the Department of the Army during World War II, were you not?

Mr. RICHARDS. Yes, sir. Were you here then?

Mr. BALDWIN. I was in the Office of the Chief of Finance then for 2 years during which time you and I participated in several meetings together.

Mr. RICHARDS. It is nice to see you again.

Mr. DOOLEY. General Richards has had a long and varied and distinguished career.

Mr. ROGERS. The committee certainly appreciates your coming to Washington to give us your very helpful testimony.

The committee would like to hear now from Mr. James F. Wright, Assistant Superintendent of Public Works of New York.

STATEMENT OF JAMES F. WRIGHT, ASSISTANT SUPERINTENDENT,
NEW YORK STATE DEPARTMENT OF PUBLIC WORKS

Mr. JAMES WRIGHT. Mr. Chairman and members of the committee, Governor Harriman has asked me to read this statement which he prepared and was sent down by me to you, stating our position on this issue.

At the close of the statement I will be very happy to answer any specific questions you have about the routes that would be involved, and the cost, and our general plans on the interstate reimbursement program.

Mr. ROGERS. Fine.

Mr. JAMES WRIGHT. Governor Harriman's statement is as follows:

I regret that the demands of the closing days of the New York State Legislative Session preclude my appearing before you today to state my support of the principles of the bill proposed by Congressman Buckley, amending the Federal Aid Highway Act of 1957 in regard to toll road reimbursement.

Since taking office as Governor of New York State 3 years ago, I have given continuous attention to the improvement of our highways systems. My concern has been for both the reconstruction of existing State highways, and the creation of an Interstate System of expressways connecting the major centers of population and industry throughout the United States.

Establishment of a reimbursement policy is vital to New York State's highway program, as it is to the highways programs of many other States in the Nation. Even before passage of the 1956 Federal Highway Act, it was evident that in the designation and construction of the Interstate System some method of reimbursement had to be worked out for those States having toll roads on their Interstate Systems.

During the formative stages of the 1956 Federal act, I urged in the strongest terms that the Federal Government adopt a definite policy with regard to reimbursement. I have since that time repeatedly spoken out in support of an adequate reimbursement provision.

Reimbursement for toll roads was recommended by the President's Committee, chaired by General Clay, which reported its findings back in 1955. This recommendation recognized the necessity to accord fair treatment to the large number of States which, in order to take care of mounting traffic congestion, had moved independent to construct sections of their Interstate System without Federal aid.

It is my understanding that toll roads and toll facilities on the Interstate System, as presently constituted, amount to 2,254 miles, and that they are located in 26 States. New York State finds itself in a particularly unfortunate position with regard to the amount of interstate mileage which has been constructed without Federal assistance. Of the 1,210 approved interstate miles in the Empire State, 518 miles are a part of the New York State Thruway. Thus, the assistance which New York can hope to obtain from the Federal Government in construction of the Interstate System is based not upon total mileage designated but upon the remaining 692 miles which are now planned or under construction.

It would be a glaring injustice if no provision were made to compensate those States which, like New York, have moved forward with the construction of large portions of their interstate networks without Federal assistance. The Federal Government would, in effect, be penalizing those very States which have had the foresight and the initiative to provide the Nation with the sort of major transportation system it so desperately needs.

Congressman Buckley's bill would grant to each State having a toll road on the Interstate System equivalent mileage to be designated as part of this system and thus eligible for Federal aid. The practical effect of the bill would be to add 2,254 miles to the Interstate System in 26 States having toll facilities. The addition of this mileage would increase the effectiveness of the Federal System of Interstate and Defense Highways.

New York State already has applied for the inclusion of substantial additional mileage in the Interstate System. These major routes are fully justified as Interstate Highways from a standpoint of traffic use, economic factors and

defense. New York State needs and should have more than one outlet to the West. Last year, when an additional 2,102 miles was to be allocated, New York State applied, among other projects, for inclusion of major portions of Routes 17, 15, 219 and an extension of the Empire Stateway from its northern terminus to the Ogdensburg Bridge.

The Department of Commerce passed over our application. If the Buckley bill becomes law, these routes can be made a part of the Interstate System. In fact, Route 17 can then be developed as part of the interstate network for its entire length, as I have consistently believed it should be. And there are routes connecting with other States which are badly needed.

The Buckley bill proposes that this extra interstate mileage be financed by extending the period of existence of the Federal Highway Fund for an additional 2-year period and permitting States to bond finance these improvements, when such action is deemed appropriate. By this method more than enough funds can be assured for construction of the additional miles.

The problem of reimbursement is admittedly complex. A number of other suggestions and formulas for reimbursement have been placed before this committee and Congress. I earnestly recommend that all of these proposals be given thorough analysis in order that an equitable and workable solution can be devised to compensate adequately not only New York State, but all other States similarly situated.

That completes the Governor's statement.

Mr. ROGERS. Thank you very much, Mr. Wright, for presenting Governor Harriman's statement. Are there any questions?

Mr. McFALL. I have just one question. With reference to the time this toll road mileage came in, it came in in 1957 with the consent of the State of New York. Could it have been possible in your mind, Mr. Wright, that this might have been delayed, that is, putting the toll road mileage into the system, pending coming to Congress to find out whether or not Congress desires to make the reimbursement, or whether it was the better thing to do, to put it into the system and then come to Congress and say, "It is in the system and it is now inequitable that we should be penalized in this fashion?"

I gave you a rather long question.

Mr. JAMES WRIGHT. I will be happy to answer it, Mr. McFall. When we applied for designation of the various routes for the Interstate System we included the throughway believing that that was, and we still believe it, consonant with the purpose of the interstate law, which is to connect the major cities of the State and the major traffic routes with other States. The throughway does this. It fits all the requirements and policy of the law and it belongs in the Interstate System.

When we applied for the whole Interstate System in New York we included the throughway and other pieces rather than just those pieces which were not part of the throughway, because we wanted the whole network approved at one time. We did not say that the throughway should not be on the Interstate System at all, but we asked for it and it was put on the system, and we feel that is entirely proper.

It is theoretically possible, although I think somewhat impracticable, that a paralleling interstate route could be built which would have competed with the throughway. Certainly such a move would not have been an economical device either for the State or the Federal Government, but we believe that the throughway should be on the system. As a matter of fact, some parts of it are free, as I am sure you are aware of, around Buffalo, and pieces around New York, and parts of the New England Thruway now under construction. Quite a few

pieces of it are free because we are using the Interstate funds to finish the system.

I am afraid I have given you a long answer to a long question.

Mr. McFALL. The long question deserves the long answer. Prior to your determination to put it into the system would it have been possible for you to leave it out of the system and have designated certain other free mileage in the State as a part of the Interstate System?

Mr. JAMES WRIGHT. This took place before I was appointed in the department. I have not been there for a full year yet, but it is my understanding that when we discussed this with the Bureau of Public Roads they were reluctant to have us phrase our request in 2 pieces, so to speak, and they preferred to have us do it at one time.

For that reason, and since we were in agreement that the theory of the throughway conforms with the theory of the Interstate System, we put it in as one piece.

Mr. DOOLEY. Will the gentleman yield to augment that answer?

Mr. McFALL. Yes.

Mr. DOOLEY. I think you will agree, Mr. Wright, there are very few roads in New York State which would meet the qualifications of the Interstate System?

Mr. JAMES WRIGHT. Regrettably few.

Mr. DOOLEY. Regrettably few. And that did meet the requirements?

Mr. JAMES WRIGHT. Yes.

Mr. DOOLEY. On the basis of the philosophy which preceded all of this legislation in the Defense Act of 1956, the State went ahead thinking it would be reimbursed at some time or other, and we would be glad to have it in the Interstate System.

Mr. McFALL. That is all, Mr. Chairman.

Mr. BALDWIN. It is a true statement, is it not, Mr. Wright, to say that the New York Thruway was authorized and in fact was under construction, and in most instances completed, prior to the Federal-Aid Highway Act of 1956?

Mr. JAMES WRIGHT. If I can just quibble about "completed," because there are pieces that were not.

Mr. BALDWIN. Let me say "authorized."

Mr. JAMES WRIGHT. Authorized. Very definitely.

Mr. BALDWIN. In other words, even if we had never passed the Federal-Aid Highway Act of 1956, New York would have gone ahead and built that throughway?

Mr. JAMES WRIGHT. We would have had to, Mr. Baldwin.

Mr. BALDWIN. I notice on page 4 of your testimony you say that—the Buckley bill proposes that this extra interstate mileage be financed by extending the period of existence of the Federal highway fund for an additional 2-year period and permitting States to bond-finance these improvements, when such action is deemed appropriate.

I have the Buckley bill before me and I do not see anything in the Buckley bill that covers those points. Is it possible Mr. Buckley introduced some other bill besides the bill we have under consideration?

Mr. JAMES WRIGHT. This information, I believe, was taken from an analysis of the bill that was prepared here by the committee staff.

Mr. BALDWIN. The only thing the Buckley bill does is to amend section 113 and add section 113a which authorizes the Secretary of

Commerce upon application by the State to designate as part of the Interstate System other routes within such State which are equal in mileage to the length of all such toll roads, bridges, and tunnels within such State; and authorizes an increase of mileage to cover that, but it does not say anything about extending the Federal highway fund for an additional 2 years.

Mr. JAMES WRIGHT. No. You are quite correct. I think the analysis from which this was drawn said it could be financed by extending the period for 2 years.

Mr. DOOLEY. Will the gentleman yield?

Mr. BALDWIN. Yes.

Mr. DOOLEY. There was talk among certain people of an amendment to that bill which would incorporate that provision to raise the money by a bond issue by the States. Are you through, Mr. Baldwin?

Mr. BALDWIN. Yes.

Mr. JAMES WRIGHT. If I may add one more thing, Mr. Baldwin. Initially, I believe, New York State planned the throughway as early as 1938 to be a State-financed road, with the Federal aid then available. The war, of course, intervened and it was not until after the war that we were in a position to go ahead.

A certain amount of work, and in fact a great deal of work, was done by the State department of public works, but it became apparent we could not move the throughway in time to serve the needs of the people without going into an authority, which permits much more rapid construction rather than straight financing. That is why we chose that course of action.

Mr. DOOLEY. There has been some conflict of testimony on the part of some of the previous witnesses, Governor Ribicoff, Mr. Stoldt, and others, as to the pattern of payment by the Federal Government of the funds which would be used on the Interstate System. For example, they said if they are building a highway costing \$20 million they would have to see they had \$20 million in hand in order to get the \$18 million due them. I ask you what has been your experience in New York State regarding these payments?

Mr. JAMES WRIGHT. We have essentially the same policy. The State is required by its laws to make an appropriation which is called a first-instance appropriation. That money is to advance the Federal matching money to the State before we are reimbursed.

Mr. DOOLEY. How long before you are reimbursed?

Mr. JAMES WRIGHT. Well, it could depend. Frequently, it would be 2 or 3 years on certain jobs. This year, for example, 2 appropriations were voted—\$110 million in New York State, which is State money for matching purposes and for 100-percent State work, and then \$197 million, which is Federal first-instance work, and we will use the Federal first instance to obligate and pay our contracts and then put in for reimbursement. Then we will receive reimbursement as we make payments against the contract.

Mr. DOOLEY. That is due to the State law, really, is it not?

Mr. JAMES WRIGHT. That is right. We cannot let a contract unless we have an appropriation adequate to support the estimated cost of the contract.

Mr. DOOLEY. I think the same is true in Connecticut, too.

Mr. JAMES WRIGHT. I am not familiar with the Connecticut laws, but it is true in New York State.

Mr. DOOLEY. That explains it to me, and I thank you very kindly.

Mr. BALDWIN. I have one more question. The representative of Pennsylvania who just testified stated, as far as their law and regulations within their toll-road commission is concerned, they could call their bonds at any time after 1959. What is the status of your bonds? Are they callable at any time in the same way?

Mr. JAMES WRIGHT. Mr. Baldwin, I regret I cannot give you a definite answer on that. The throughway authority is a separate institution from the department of public works and I am not familiar with the details of their bond covenant, but I will be glad to see that that information is supplied to you.

Mr. BALDWIN. I will ask unanimous consent that that information be incorporated in the hearings at this point when supplied.

Mr. ROGERS. Without objection, it is so ordered. If you will supply the information requested, Mr. Wright, we would appreciate it.

(The information to be furnished is as follows:)

NEW YORK STATE THRUWAY AUTHORITY,
Elsmere, N. Y., March 28, 1958.

Mr. JAMES WRIGHT,
*Assistant Superintendent of Public Works, New York State Department of
Public Works, Albany, N. Y.*

DEAR Mr. WRIGHT: This is in reply to your telephone call of today in which you inquired relative to provisions concerning redemption of New York State Thruway Authority bonds outstanding.

In each case of redemption prior to maturity a premium price would have to be paid. The New York State Thruway Authority has 6 issues of State guaranteed bonds and 2 issues of revenue bonds outstanding, and the redemption dates and prices with respect to each of these issues vary. Based on our conversation, I would not imagine that you would want all the varying redemption dates and redemption prices.

If the redemption of the Thruway bonds were to be attempted through the medium you suggested, it might be accomplished by the State of New York directly through the State's right to require redemption of our bonds. This right is defined under the New York State Thruway Authority Act, title 9 of article 2 of the Public Authorities Law, section 367, and is quoted as follows:

"Notwithstanding and in addition to any provisions for the redemption of bonds which may be contained in any contract with the holders of the bonds, the State may, upon furnishing sufficient funds therefor, require the authority to redeem, prior to maturity, as a whole, any issue of bonds on any interest payment date not less than 15 years after the date of the bonds of such issue at one hundred four per centum of their face value and accrued interest or at such lower redemption price as may be provided in the bonds in case of the redemption thereof as a whole on the redemption date. Notice of such redemption shall be published in at least two newspapers published and circulating respectively in the cities of Albany and New York at least twice, the first publication to be at least thirty days before the date of redemption."

If this information is not sufficient for your purposes I will be very happy to prepare a schedule of redemption dates and prices with respect to each issue of Thruway bonds outstanding.

Yours very truly,

DANIEL J. LANGAN,
Director of Finance.

Mr. ROGERS. Are there any more questions?

Mr. McFALL. I have one question: Remembering some of my previous long questions, Mr. Wright, did the State of New York have any discretion in designating this 518 miles as part of the Interstate System or was it more or less forced upon you by the Bureau of Public Roads?

Mr. JAMES WRIGHT. Well, I am sure we had some discretion. I was not there at the time that the application for designation of the Interstate System was made and, therefore, I cannot speak from personal knowledge, but from the conversations that I have had with people about it, it is my understanding that we did discuss the possibility of not putting it on the Interstate System at this time until the reimbursement issue was resolved, and it was felt it would be better for all hands if we went ahead and did so.

So, since it definitely met the criteria and, in fact, is the only road that does meet the Interstate System criteria, it certainly conforms with the principle of the Interstate System, so we felt it ultimately should go on the Interstate System, and submitted it.

Mr. McFALL. Thank you.

Mr. ROGERS. Are there other questions?

(No response.)

Mr. ROGERS. Thank you, Mr. Wright. Your testimony has been most helpful. I have a telegram here from the Automobile Club of Syracuse, Inc., that I would like to make a part of the record, addressed to the Honorable Charles Buckley, Chairman of the House Public Works Committee. Without objection, it will be made part of the record at this point.

(The telegram referred to is as follows:)

SYRACUSE, N. Y., March 24, 1958.

HON. CHARLES BUCKLEY,
Chairman, House Public Works Committee,
House Office Building, Washington, D. C.:

We are very much interested in and urge the passage of H. R. 11558 in which our Congressman, Mr. Riehlman, is vitally interested. We are also very much in favor of your own bill covering toll roads and freeways.

AUTOMOBILE CLUB OF SYRACUSE, INC.,
H. E. LAVIER, Secretary.

Mr. ROGERS. Are there any other matters to come before the committee? If not the committee stands adjourned and we will keep the record open for Mr. Keating's statement.

(Whereupon, at 3:55 p. m., the committee adjourned.)

(The following was later furnished for insertion:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 26, 1958.

HON. CHARLES A. BUCKLEY,
Chairman, Committee on Public Works,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BUCKLEY: As you know, Congressman Radwan was unable to appear personally before your committee in support of the amendment providing for highway reimbursement to States.

However, he has prepared the enclosed statement and will appreciate your including it in the testimony on this legislation.

Respectfully yours,

IRENE NEESE, Secretary.

Chairman Buckley, and members of the distinguished Committee on Public Works, I am grateful for the opportunity to present this statement in support of legislation to provide substitute mileage in the Interstate Highway System for those States which built sections of the Interstate System in advance.

The Federal Aid Highway Act of 1956 is one of the most important measures passed by Congress in recent years. This proposed vast network of Interstate Highways represents the greatest coordinated public works project of our time.

For a Nation which depends so fundamentally on its automobiles and trucks,

it is a project counted upon to usher in a new era of industrial progress, safety, wealth, and happiness for our growing population. The people I represent were advised of some of the impressive statistics which characterize this project.

Motorists were told that the new system would save each of them \$90 per year in operating costs while costing them only \$7 a year in gasoline and tire taxes; and even that \$7 will probably be offset by reduced insurance costs to reflect the 3,500 lives a year which will be saved, the countless injured who will be spared, and the untold property damage which will be avoided.

Now that we have been afflicted by an economic downturn, leaders of both parties, recognizing the importance of this highway program to our economy, are recommending an increase in the originally planned rate of progress. Every year that we save in building this highway system means \$5,300 million saved in the additional cost of using our present poor roads.

The bills before this committee today concern the reimbursement feature which was passed over when Congress acted 2 years ago. The Commerce Department now has spelled out for this committee exactly what roads have been built on the Interstate System during the past decade. This information was required to provide a clear picture of the situation in each State.

The Federal highway program has been in the mill since 1944, but the program did not become effective until the 1956 act. Many of our States, like New York, just couldn't postpone highway work over this span of years to see what the Federal program was going to be. It was mandatory that they move ahead, using the best financing which they could muster.

The now famous New York Thruway is a toll road typical of that type of State initiative. Many miles of free highways, planned to link with the future Federal system, were similarly built.

Are we to penalize States which looked ahead, which provided for the needs of the people, and which did not wait until highway chaos developed? Can you imagine what our highway situation would be today if they had not gone ahead?

The purpose of this proposed amendment is to fill out the 1956 act as it should have been written then. We are now merely honoring a pledge made to those States when the 1956 bill was passed. At that time the conference committee report specifically stated it to be the policy of Congress equitably to reimburse the States for both toll and free highways. The practical reason for deferring this portion of the legislation was obvious. Any attempt then to reapportion mileage among the States on the basis of parts of the Interstate System already constructed would have resulted in a rash of disagreement and would have seriously jeopardized passage of the basic bill.

In recognition of the urgent need to meet this obligation of reimbursement now, several bills have been introduced and are before this distinguished committee. I approve and support the general principle of reimbursement provided for in these bills. Further, I commend for your consideration the remarks of my colleague and Representative of a neighboring district, the Honorable John R. Pillion, before this committee. We have introduced identical bills.

You can make an invaluable contribution toward keeping abreast in this never-ending race, and toward the overall development of our Nation, by a prompt and favorable report on this amendment.

STATEMENT OF HON. HAROLD D. DONOHUE, A MEMBER OF CONGRESS FROM
MASSACHUSETTS

Mr. Chairman, I am grateful for the opportunity of appearing before this distinguished committee in support of my bill, H. R. 11418, which is identical to H. R. 10422, introduced by the chairman of your committee, Hon. Charles A. Buckley, a Member of Congress from New York.

H. R. 11418 would compensate each State that has had a toll road incorporated into the Interstate System by providing equivalent mileage for said State. This equivalent mileage would be designated as part of the Interstate System and would thus become eligible for 90 percent Federal aid.

Under my bill, those States which were forward looking enough to prepare plans, finance, and construct needed highways before the Federal Aid Highway Act became law, would be properly compensated. Instead of being penalized for their progressive attitude, these States would be given this additional mileage to replace the mileage incorporated into the Interstate System. I might point

out that this equivalent mileage would be given to the States only when the States initiate the request for the mileage.

I believe that this additional mileage would provide another form of public-works construction which would be a stimulus and a shot in the arm to the economy of the States wherein these roads would be constructed. The local areas where the highways would be laid out would receive an opportunity not only for the increased circulation of money but, in addition, the impetus of additional employment by the creation of new jobs that this work would necessitate.

From the Clay report through the Federal-Aid Highway Act of 1956, Congress has recognized the principle that in some form or another there should be an equitable reimbursement to those States whose State-constructed mileage was taken away when the Interstate System was created. There have been a number of proposals put forward as to reimbursement; and a report has been filed by the Secretary of Commerce pursuant to section 114 of the Federal-Aid Highway Act of 1956.

I have studied this matter carefully and, in my opinion, the increased mileage which this bill provides would in the long run be the most beneficial and the best form of reimbursement that the States would receive.

I thank you for the opportunity of appearing before this committee and trust that this bill will receive favorable consideration by the committee.

STATEMENT OF HON. WINFIELD K. DENTON, A MEMBER OF CONGRESS FROM THE STATE OF INDIANA

I am Congressman Winfield K. Denton, representing the Eighth District of Indiana, and first of all I would like to thank the chairman and members of this committee for allowing me time to express my views on pending legislation to extend the Interstate Highway System.

I am deeply interested in this subject since Evansville, Ind., is in my home district. Evansville, as you probably know, is the largest city in the Nation not linked in some way with the Interstate Highway System as it is now planned.

Two bills have been proposed, both of which could help link this city to the Interstate System. One is the bill proposed by the esteemed chairman of this committee. It would allot equivalent mileage to all States who went ahead and built toll roads which were later adopted into the present system. The other is a bill introduced by several Members, myself included, which would make it mandatory that all cities of more than 50,000 population be linked to the system.

In the case of the former proposal, it was introduced I understand, with the idea in mind that States who took it upon themselves to improve their highway systems by their own devices, not being able to wait for the Interstate System to be formalized and enacted, should not be penalized by losing the help offered by the Federal Government in this matter.

Indiana is one of these States. It built its own toll road across the northern fringe of the State, from the Ohio border to the Calumet region, adjacent to Chicago. This road was later accepted into the Interstate System, attesting to the acceptability of Indiana's planning. This toll road was located in a place, not where it would be of particular convenience to Indiana natives, but to provide a thoroughfare for traffic headed to and from Chicago across northern Indiana. Actually it is of use to but a small part of the entire Indiana population; a fact which caused considerable criticism at the time the location of the road was announced. Nevertheless, Indiana adhered to a plan which would best fill the needs in the overall picture of cross-country traffic, and did not shift the planned route. This shows that Indiana's initiative remained responsible to the principle on which the Interstate System has been proposed and founded.

However, through such action, Indiana actually deprived itself of the equivalent amount of Federal aid in this project. The road would have had to have been built on the proposed basis of 90 percent Federal money matched by 10 percent of State funds. Instead, when the Interstate System was finally planned, the planners had waiting for them an important link in the pattern, ready built, already in use, as a matter of fact.

Therefore, I think that Indiana, like all other States who displayed such initiative and foresight, should be entitled to have the Federal Government aid in the construction of an equivalent mileage of interstate roads in the State. This would amount to about 156 miles in Indiana's case, and Indiana could well use these extra miles. One of its larger population centers, Evansville, now sits high and dry, as I have said, more than 50 miles from any road thus far proposed under the Interstate System.

This brings me to the second measure I mentioned, the one which I helped to propose, requiring the inclusion of any city in the country which has a population of more than 50,000, and has had such a population in the past two census decades.

Though such a specific provision was not written into the original act setting up the Interstate Highway System, I believe it was the intent of those who drafted the bill that this would be accomplished. Yet somehow, Evansville, along with 16 other cities who meet the population requirement of 50,000, was lost in the shuffle. I don't mean to criticize those who planned the system. They were planning a network which they felt would serve the most people, and Evansville is in a unique geographical situation. This does not lessen the need of this important industrial and trading center for such inclusion.

Evansville has long been referred to back home as the "Pocket City." It is the seat of an area in the southwestern corner of the State which has been void of adequate transportation access for years, giving rise to the nickname of "the pocket." It was just such conditions which the original planners of the system hoped to remedy.

Notwithstanding its comparative isolation, Evansville has continued to grow and expand, attesting to its importance. It now boasts a population within its limits of about 130,000, and the surrounding county, one of the smallest in the State, has a total population of about 165,000. Evansville is a shopping center for 500,000 people in 3 States. It is an important shipping point on the Ohio River. This river transportation has attracted much industry, but this industry also needs facilities for truck transportation, in which the city is lacking.

For such a metropolitan area to go without any connection to the system is definitely wrong. And while Evansville is the largest such city, there are others in the same dilemma which are equally worthy of inclusion because of the nature of their industries and commerce.

It has been estimated, roughly, that all such neglected cities could be included on the system by the addition of from 600 to 800 miles. Certainly it would take no more than that. In the case of Evansville it would require a 50-mile spur. Not all of these cities would require the building of this much extra mileage. In some cases it is a matter of only a few miles, but vitally important miles.

I think both proposals before this committee are worthy ones. States which had the initiative and fortitude to go out on their own in building adequate highways should not be penalized, and all cities of more than 50,000 definitely need to be included on the Interstate Highway System.

Again I wish to thank the committee for granting me the opportunity to appear here, and I hope my remarks may be of assistance to you in your deliberations.

SYRACUSE CHAMBER OF COMMERCE,
Syracuse, N. Y., March 26, 1958.

HON. CHARLES A. BUCKLEY,
*Chairman, House Public Works Committee,
House Office Building, Washington, D. C.*

DEAR MR. BUCKLEY: The Highway Committee of the Syracuse Chamber of Commerce wishes to express to you their strong support for legislation now being studied by your committee providing for reimbursement to States which have already constructed freeways and toll roads, and which have been designated as parts of the Federal Interstate Highway System.

We feel that those States including New York, which have already constructed freeways and/or toll roads, should not be penalized in future Federal allocations because they were much in advance of other States in highway planning and construction.

Yours sincerely,

WALTER L. FOX,
Assistant Secretary.

STATEMENT OF HON. KENNETH B. KEATING, OF NEW YORK, ON H. R. 11554 AND RELATED BILLS TO AMEND THE HIGHWAY ACT OF 1956 TO PERMIT STATES WHICH HAVE COMPLETED CONSTRUCTION DESIGNATED AS PART OF NATIONAL HIGHWAY SYSTEM TO DESIGNATE OTHER ROUTES FOR INCLUSION IN THE SYSTEM

Mr. Chairman and members of the committee, the principle embodied in H. R. 11554 and related bills is a sound one. If simple justice is to be served, it should be enacted into law in this session of Congress.

This measure will provide equitable reimbursement for New York and other States which have shown the initiative and ability to go ahead on their own in building the Interstate Highway System. The repayment would be achieved by allowing Federal payments up to 90 percent for substitute mileage to be added to the system in place of completed highway mileage.

As of June 30, 1957, New York State had completed nearly 580 miles of the original 1,200 interstate mileage allotment, at a cost of \$1,062,600,000. Under terms of H. R. 11554, some \$822,800,000 would go to New York in payment for completion of the substitute mileage. This amounts to roughly \$50 per person in my State. The payments would take effect beginning in 1960.

Many other States which have forged ahead on their own would also benefit from this legislation. On the overall national level, credit would total about \$4,200,000,000 for 10,859 miles of completed highways.

Mr. Chairman, the pay-as-you-build principle embodied in the original highway bill is a sound and constructive one. Were that more Federal programs were run on such a hard-headed basis. However, we should not let that auspicious start be darkened by allowing later inequities in the distribution of funds.

It is my understanding that when the New York State Thruway and other road programs were begun prior to enactment of the highway bill, it was thought some sort of reimbursement for completed work would later be forthcoming. In all due fairness legislation to provide some form of repayment should be enacted. It would prevent the States which went ahead on their own from being penalized just because they had the foresight to get the job done, instead of waiting for Uncle Sam to provide the money.

As it is, New York State receives its usual short end of the stick under this Federal program. We are the most populous State in the Union. We are the most important business, manufacturing, and commercial State. We rank second in the Nation in number of automobiles and in gas consumption. As a result, New York contributes heavily to the revenues available to the Federal Government for this highway program. As usual, we put in more than we get out. We should at least receive credit for our contributions to the system.

The Federal Interstate Highway System marks a significant forward step in the internal development of our Nation. By drawing together our great industrial and population centers, it provides an important link in times of war or peace. But its worthy purposes and methods should not be used to deprive States which have already contributed to it from getting money for their work.

Because H. R. 11554 and the other identical bills before this committee provide a fair and sane answer to the problem of the States which have pushed ahead with their contribution to the Interstate Highway System, it deserves the full support of this committee and eventually of the Congress and the President.

AMERICAN BRIDGE, TUNNEL, AND TURNPIKE ASSOCIATION, INC.,
White Plains, N. Y., April 25, 1958.

Mr. RICHARD SULLIVAN,
Counsel, House Committee on Public Works,
New House Office Building, Washington, D. C.

DEAR MR. SULLIVAN: In accordance with previous correspondence and various conversations, I am enclosing 40 copies of the statement entitled "Extension of the Remarks of D. Louis Tonti, president of the American Bridge, Tunnel & Turnpike Association, Inc., at the hearing on March 26, 1958, on H. R. 10422 and H. R. 10921."

We hope that there is sufficient time to have this statement included in the printed record of the hearing, as discussed with you, and if so, understand that the statement will be printed in conjunction with the original remarks made by President Tonti.

I have also talked with you about the correction of an error in the official stenographic transcript of President Tonti's remarks at the hearing and you were kind enough to agree to having this made. The correction applies to the sixth paragraph of the formal statement made by President Tonti and which begins on page 82 of the stenographic transcript as forwarded to us.

A word has been left out of the last sentence of the sixth paragraph and an entire following sentence omitted. The present last sentence of the sixth paragraph, and a new final sentence should read as follows (matter to be inserted is italicized) :

"My remarks represent a view endorsed by a substantial majority of the *interested* members of the association, which incidentally meets next week in this city, at the end of the week. *As a matter of fact, it should be understood that a number of our members may have views differing sharply from those expressed here.*"

Your courtesy and consideration in this entire matter is very much appreciated.

Sincerely,

J. ALLYN STEARNS,
Executive Secretary.

X

