

A realistic answer must be based on a study of all phases of highway financing, including a study of the costs of completing the several systems of highways, made by the Bureau of Public Roads in cooperation with the State highway departments and local units of government. This study, made at the direction of the 83rd Congress in the 1954 Federal-aid Highway Act, is the most comprehensive of its kind ever undertaken.

Its estimates of need show that a 10-year construction program to modernize all our roads and streets will require expenditure of \$101 billion by all levels of Government.

The preliminary 10-year totals of needs by road systems are:

	(Billions)
Interstate (urban \$11, rural \$12 billion)	\$ 23
Federal-aid Primary (urban \$10, rural \$20 billion)	30
Federal-aid Secondary (entirely rural)	<u>15</u>
Sub-total of Federal-aid Systems (urban \$21, rural \$47 billion)	68
Other roads and streets (urban \$16, rural \$17 billion)	<u>33</u>
Total of needs (urban \$37, rural \$64 billion)	\$ 101

The Governors' Conference and the President's Advisory Committee are agreed that the Federal share of the needed construction program should be about 30 percent of the total, leaving to State and local units responsibility to finance the remainder.

The obvious responsibility to be accepted by the Federal Government, in addition to the existing Federal interest in our 3,366,000-mile network of highways, is the development of the Interstate System with its most essential urban arterial connections.

In its report, the Advisory Committee recommends:

1. That the Federal Government assume principal responsibility for the cost of a modern Interstate Network to be completed by 1964 to include the most essential urban arterial connections; at an annual average cost of \$2.5 billion for the ten year period.

2. That Federal contributions to primary and secondary road systems, now at the rate authorized by the 1954 Act of approximately \$525 million annually, be continued.

3. That Federal funds for that portion of the Federal-aid systems in urban areas not on the Interstate System, now approximately \$75 million annually, be continued.

4. That Federal funds for Forest Highways be continued at the present \$22.5 million per year rate.

Under these proposals, the total Federal expenditures through the ten year period would be:

	(Billions)
Interstate System	\$25.000
Federal-aid Primary and Secondary	5.250
Federal-aid Urban	.750
Forest Highways	<u>.225</u>
	\$31.225

more

