

Indiana State Highway Commission Report—1974

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1973—A FRUSTRATING YEAR FOR HIGHWAY BUILDERS

The year just passed has been most frustrating, I know, for us all. Immediately after taking my oath of office 14 months ago as chairman of the Indiana State Highway Commission, we were hit with a drastic reduction in federal highway funds to Indiana, a diversion of highway funds to mass transit, which does not even exist to any great degree in Indiana, an asphalt shortage, a steel shortage, a cement shortage, an energy crisis, a fuel shortage, an uncertainty of what our state highway revenues are going to be, and, to top it off, we were hit with the largest snowfall in Indiana in 60 years. Frustrating, indeed. But, from where I sit, I see absolutely no relief on the horizon if we permit the status quo to exist. From my viewpoint, the next few years are going to be very dismal for any highway official, and, correspondingly, for the motorists of the state and nation.

FEDERAL-AID HIGHWAY PROGRAM A FARCE

The Federal-Aid Highway Program and the Federal Highway Trust Fund, in my opinion, have become a farce. No longer is there any trust in the trust fund for the highway motorists—the man who pays four cents tax on each gallon of gasoline into the fund. Today, Indiana receives back only 41 cents of each dollar Hoosier motorists contribute to the Federal-Aid Highway Trust Fund. Not only is each dollar diminished, it is so fragmented that we in Indiana derive very little benefit from the funds returned. Not only must we fight for the return of the 41 cents of each dollar, we must then scrap like the devil to get permission to use it in such a way as we see fit.

Someday, city and county officials throughout this nation and the motorists of this country are going to wake up and see what is happening in Washington. They are being raped. The trust fund is being raided. And yet, very few people seem to be concerned about the problem.

I believe President Eisenhower would be most disturbed if he knew what was happening to the highway program and the Federal-Aid Highway Trust Fund that he established in 1956. I sometimes believe that Washington could not stand the initial success of the federal highway program. Over the years, they have taken one of the most successfully funded and operating government programs in the history of this country and have gradually taken it down to a point where it is now close to becoming a complete failure.

The interstate program, which began in 1956, was to have been concluded by 1972. As we all know, it was not. The interstate system of this nation comprises one percent of the total highway mileage in the nation, yet, when completed, will carry 25 percent of the traffic, connecting 90 percent of all cities over 50,000 population. Interstate highways today are twice as safe as the roads they replace. There is substantial savings through improved productivity of men and machines. As this program progressed, there were cries that we were paving over the nation. Yet, in comparison, if the interstates throughout this nation were compressed together, they would make a parking lot barely 20.5 miles square and hold half of America's automobiles, but would only involve 420 square miles, essentially the same size and area as the city of Indianapolis. There is absolutely no doubt that the interstate system of this nation is saving thousands of lives and billions of dollars. It has been an obvious success, substantially more successful than any domestic program in the history of this nation. In 1956, President Eisenhower launched this program—the largest, most massive public works project in the history of the world—and he rightfully considered it his most significant domestic achievement when he left office in 1961. If he could only see it now.

Today, we are two years past the deadline for the completion of the interstate system as it was initially envisioned, yet, we in Indiana are at least ten years away from the completion of the system if we remained totally dependent upon federal-aid funding. Realizing the importance of the interstate system to the state of Indiana and its tremendous economic and safety benefits, we decided to do something about it. We have established a program which basically says what the federal government will not do in the next four years we will, thus resulting in the completion of the interstate system in the state of Indiana within four years. With the support of Governor Bowen, and the Indiana General Assembly, this program has now been adopted and will be carried out.

INDIANA LOSES \$100 MILLION ANNUALLY TO TRUST FUND

In the last 15 years, Hoosier motorist's contribution to the Federal Highway Trust Fund has increased three-fold. Yet, we are receiving fewer federal funds today than we have in any of the last 15 years with one exception, that being in 1961. And, during the last ten-year period, 14,000 of our fellow Hoosiers have been killed in highway accidents. This is simply ridiculous. I don't look at it as federal aid. It is embezzlement. Indiana's contribution to the Federal Highway Trust Fund is now \$166 million a year. Yet, we are receiving back only \$62 to \$66 million. In other words, our highway program in Indiana is suffering a loss of nearly \$100 million annually. How do we relate to that? What is \$100 million? To give you an example, \$100 million has already eliminated more than 100 miles of killer highways in Indiana, S.R. 37, S.R. 31, U.S. 41 and U.S. 30. One hundred million dollars would resurface 4,000 miles of state highway, more than the last seven years combined, or replace 250 to 300 old, dangerous, narrow bridges.

Loss Caused Two-Cent State Gas Tax Increase

Had Indiana been receiving a fair return on its money from Washington, had we been receiving true federal highway aid from Washington, there would have been no need for the 1969 two-cents-a-gallon gas tax increase. We could have been carrying on an adequately financed highway program in Indiana. Yet, the state gas tax had to be increased. The General Assembly saw substantial highway needs in this state, such as 41, 37, 31, 30 and others and said something must be done. Our traffic death rate was at an all-time high, accordingly, we did it ourselves. But, as the money from the new two-cent gas tax increase began coming in, the federal government again cut us back almost dollar for dollar, to the extent that the two-cent gas tax increase in 1969 simply filled a void created by a reduction in federal highway funds during the same period of time.

WHERE IS \$6 BILLION FEDERAL IMPOUNDED HIGHWAY MONEY?

This situation is not isolated to the state of Indiana. It has happened all across this nation. State after state in recent years has had to increase its state gas tax simply to do the job that needed to get done. During the same period of time, beginning with the Johnson Administration, federal highway users taxes were being impounded by the national administration. Today, there is over \$6 billion in highway user money

sitting in Washington not being used for the purpose they were collected, while thousands upon thousands of people are dying on highways throughout this nation. One sidenote—we as highway officials and motorists really have absolutely no idea where that \$6 billion is, what it has been used for or even if it exists, whether it has been used to make welfare payments, social security payments, or whether it has been borrowed to finance some of the wild-schemed social programs of this nation. No one really knows. Yet, in Indiana we are desperately trying to find some way of financing a much-needed \$30 million expanded maintenance program just to keep our state highway system from crumbling into little pieces or big holes.

ECOLOGY MONEY BETTER SPENT FOR SAFETY

I say that the Federal-Aid Highway Program is becoming a farce. Safety seems to be our last priority anymore. We are nearly mandated to be concerned about the environment of everything but man. It appears as though we must be more concerned about planting shrubs and sound-proofing a highway and buying billboards than we are with saving one human life or providing an even greater economic potential for a community through the construction of a new, modern, safe highway. While a safety program and safety funds were provided in the 1973 Federal-Aid Highway Act, not one thin dime of additional funds are being made available; but, rather, safety funds must now come out of our regular apportionment.

FEDERAL MONEY FOR LAKE COUNTY PROJECT LATE

Money was also provided in the 1973 Federal-Aid Highway Act which would have enabled us to construct the much-needed Cline Avenue project in Lake County, but not one thin dime of that money has ever been dispersed to the states. While we were told in September that designation of Cline Avenue as a special urban high density route would be forthcoming in two months, it has now been six months and we haven't received that first official word, let alone any dollars. What type of highway program is this? I was, however, informed, that our day-to-day hammering for the Cline Avenue project may have achieved some results and that the White House is now ready to release funds for the project. However, we are still awaiting details and the official word from Washington.

TIME TO END FEDERAL-AID PROGRAMS

I think the time has come to end the Federal-Aid Highway Program in the United States and to end the Federal Highway Trust Fund.

To do so would be to the good of the motorists; it would be to the good of the states, and it would be to the good of the nation. I think the \$6 billion which has been impounded should be dispersed immediately to the states so that much-needed highway improvements throughout this country can be accomplished. We have found, at least in the state of Indiana, that by using straight state funds, we can plan, develop, and construct a highway in about half the time required if federal funds are used for the construction of the highway. This is ridiculous. We can do it just as good, if not better, and the rights of everyone are still preserved. And, if something is wrong, or if there is a problem, the citizen can easily contact an elected public official, not some far off, calloused bureaucrat who appears to be responsible and responsive to no one.

Change Four-Cent Federal Gas Tax to a State Tax

I believe the four-cents-a-gallon federal gas tax should be repealed by Congress, thereby permitting each state to reenact the four-cents-a-gallon gas tax on the state level. The result in Indiana would be immediate. It would not cost the motorists one thin dime more but our highway program in Indiana would substantially increase by \$100 million a year at a minimum. There would be no need to go to the General Assembly for \$30 million additional for an expanded maintenance program. We would have it. There would be no need to go to Washington to try to drum up \$60 million to build Cline Avenue. We would have it. My comments are not intended to cast any reflections on the very fine and dedicated service of George Gibson and his Indiana office of the Federal Highway Administration or, for that matter, on the Federal Highway Administration in general. Their assistance and cooperation has been excellent, particularly in our efforts to develop the ACI program to accelerate and complete the interstate program in Indiana.

Let States Maintain and Improve Interstate Now

I believe the purpose of the federal highway program has been accomplished. The Federal Highway Program and the federal interstate system has provided basic transportation throughout this country to literally every community in the nation. It should now be left to the individual states to maintain that system, to improve upon the system and expand it as they see fit.

UTAP Will Make Financial Situation Worse

If continued, the current situation will only get worse. As an example, there is now before Congress a new transportation program called UTAP (Unified Transportation Assistance Program). Basically,

what this program does is to unify, combine all the transportation needs of this nation and fund them solely by highway improvement money paid by the motorists of this nation. UTAP would take more highway user money from highway improvements to spend on more buses, more subways and more rail cars. While the federal government has never permitted federal highway funds to be used for the maintenance of the highway system, it would now take federal highway funds to maintain and operate mass transit systems throughout this nation. As Congressmen Bill Bray defines it, that is plain and simple embezzlement. Trust is defined as "integrity," as "justice." Where then is the trust in the Federal Highway Trust Fund. Congress and the administration over the years seem to have redefined trust as meaning embezzlement. You ask how can it be. Well, I don't know, but it exists, and, in my mind, it is time to clear the deck. The UTAP program says that 50 percent more will be provided in transportation assistance. That is probably true. But, the 50 percent more will come from states such as Indiana, and will go to states and cities like New York. Who has ever heard of the state of Indiana receiving funds from New York? Never. And, believe me, they are not going to start now.

Indiana Money for New York Subways

How a man gets from his home to his work is not a national problem. The fact that there isn't sufficient fuel in the nation to get him there and back and to provide heat in his home is a national concern. How a housewife gets from her home to the shopping center to buy groceries and clothing is not a national problem. But, the inflationary prices she must now pay on the products she buys is a national concern. The problem of moving people in and around the community is not a national concern, a national problem. Why make it one? It is a community problem, a local problem. It is not for the people of Indiana to subsidize and pay for a New York commuter to get back and forth to work. He does not subsidize our roads and streets. We should not subsidize his subway. He does not pay to maintain our highway. Why should we pay to maintain his rails or to pay for his commuter? It is wrong. Just as you would not expect the people of Perry County, or Greene County, or Pulaski or Stueben County to subsidize mass transit in Indianapolis, Fort Wayne, South Bend or Lake County, likewise, you would not expect for the people of Indiana to buy buses and subway systems for New York and San Francisco and Los Angeles.

OTHER HIGHWAY PROBLEMS

Indiana Gas and Revenue Down 11 Percent in January

Yes, our problems are many. People cannot get enough fuel to operate their automobiles, to operate their trucks. This is having a corresponding impact on our highway revenues. Our latest report indicates that there was nearly an 11 percent reduction in the consumption of gasoline during the month of January in Indiana. Our highway revenues and yours will be down accordingly.

Need Tax Laws for Electric Cars

The energy crisis has brought to mind an interesting problem which will most assuredly develop. The other evening I saw on television a manufacturer in Detroit who would soon have 10,000 electric automobiles on the road. Numerous energy sources are being considered and developed as an alternative to the gasoline powered engine. And, as these begin to hit the road, as the nongasoline powered engines start to capture or have an impact on the overall market, it will also have a significant effect on state gasoline revenues. While these vehicles will most assuredly use our highway system, under current laws, they will not be taxed equally for their highway use as are the gasoline powered vehicles because our highway revenue is generated by the gasoline tax. This situation, I believe, needs an immediate and full examination.

NEED FOR EXPANDED MAINTENANCE PROGRAMS

Likewise, the problem of maintaining the state highway system is becoming more serious by the day. It is not isolated just to the state highway system, but to local streets and county roads as well. In Indiana, the need for an expanded maintenance program is quite apparent to us all, primarily to the motorists of the state. We must establish a program to preserve, protect and improve our \$8 billion highway investment in Indiana. For the last ten years, the commission has increased its maintenance budget by more than 60 percent. But, unfortunately, this has been offset by an 80 percent increase in maintenance costs during the same period, thus resulting in a net decrease in maintenance productivity. While we have been resurfacing approximately 600 miles of road a year on the state highway system, we need to be resurfacing twice as much to do even an adequate job. These aren't simply words, they are plain and simple facts, which become more and more apparent as roads begin to crumble.

Development of a Maintenance Management Program

We are currently developing a maintenance management program, which has both technical and advisory groups which seek out deficiencies

which exist within our operation that can be corrected and improved so that a better job can be done. It is a tremendous program but it simply is not enough.

General Assembly Asked for Maintenance Help

Realizing the critical need to substantially expand the maintenance program and double resurfacing efforts to improve our highway network in Indiana, the Transportation Advisory Commission recently adopted a resolution which called upon the General Assembly to give top priority consideration to an expanded maintenance program and, further, to adopt appropriate legislation which will provide adequate funding and insure proper implementation of the program. I believe it is now necessary to provide the General Assembly with some specifics, with a detailed program which they can consider as a whole and properly fund. Accordingly, because of the three problems I previously mentioned that plague the state highway program in Indiana, that is: (1) the demise of the Federal Highway Trust Fund and the Federal-Aid Highway Program; (2) substantial maintenance needs, and; (3) the need to get an early jump on appropriate and equal taxation of nongasoline-powered vehicles. I have this day officially requested of House Speaker Kermit Burrous, chairman of the Indiana Legislative Council, to assign to the Transportation Advisory Commission these three specific highway related problems. These are major problems which cannot be resolved simply, adequately or satisfactorily by the Indiana State Highway Commission or state administration. They each demand considerable attention.

1967 Highway Needs Study Reopened for Policy Decisions

I have asked Speaker Burrous to request the Transportation Advisory Commission to expand on the initial findings of the 1967 Highway Needs Study which touched on Indiana's maintenance deficiencies. It was obvious to the Needs Committee, even then, that our maintenance activities were inadequate. The problem has not been dealt with since; it has only grown in magnitude. It now should be reopened and examined in depth by a Legislative Fact Finding Committee to resolve "What are our highway needs in Indiana?" and "What is our policy going to be to satisfy those needs?"

CONCLUSION

When the studies are complete, the Indiana General Assembly should then dedicate and commit the state of Indiana to implementing the recommendation of the Transportation Advisory Commission. This, I believe, will assure the people of Indiana—motorists, farmers, laborers,

industries, and communities, as well as businesses who seek to locate in Indianapolis—that Hoosiers realize the vital importance and basic necessity of an adequate highway system to the needs of the state and have taken positive steps to insure its continuation.

I urge you to actively support the objectives of this endeavor.