D. Needs and Prospective Capital Outlays

Pursuant to Public Law 89–139, the Bureau of Public Roads is directed to report to Congress in January 1968 estimates of the future highway needs of the Nation. It is impossible at this time to report on what these needs will be, and so for purposes of the study, prior estimates of needs have been used, principally those contained in the highway cost allocation study prepared and submitted to Congress as authorized by section 210 of the Highway Revenue Act of 1956 (70 Stat. 387), and the 1965 Interstate System cost estimate, published in 1965 as House Document No. 42, 89th Congress, 1st session. To the extent possible, these prior studies have been adjusted and modified to make them applicable to the 10-year period, 1966–75.

Table G tabulates the forecast of capital requirements in terms of amounts that probably would be assigned to State agencies, and to local governments; and in terms of the three functional classes of highways. Of the total of nearly $126 billion of estimated needs, 84 percent will be required for main rural roads and for urban streets in nearly equal proportions, with the remaining 16 percent required for local rural roads.

Table F projects estimated receipts for highways, "fixed" costs, and funds available for capital outlay during each of the years 1966–75. Projections of user revenues are based on economic projections of population, car ownership, travel, and slight annual increases in weighted motor-fuel tax rates. The present resources of the Federal highway trust fund are assumed to be extended without change through 1975.

The amount of capital expenditures in table F are then summed, and entered in total in table G. In virtually all comparisons of needs with anticipated resources, the former exceeds the latter. This is the finding as shown on table G, whereby a deficit of nearly $25 billion is forecast and is explained by the fact that needs are postulated without regard to restraints upon financing resources, but rather are a measurement of deficiencies in terms of engineering and geometric standards in light of probable levels of service demands. In other words, needs are calculated on the basis of eliminating most of the impediments to free flow of anticipated traffic volumes by some future target date.

Experience has shown that this objective has rarely been realized. With the notable exception of the Interstate System, which has a 1972 target date for completion, the remaining Federal, State, and local highway programs do not envision a "completion" date. Rather, the programs look to long-range efforts to renovate, upgrade, and otherwise bring highway systems to higher standards, recognizing that adequacy is an elusive term in the context of dynamic and changing demands for transportation.

This is by way of explaining that there is no real answer to the question of how to bridge the gap between resources and needs. The public must measure the demand for schools, for housing, and for other needs of society against that of highway transport and allocate its support accordingly. Certainly, priority programs can and will be developed both at the Federal and State levels that will produce the financial resources to meet delimited needs. Most of the nonpriority needs, particularly those in rural areas, will probably not be met within the next decade, or for some other time thereafter.