

Preliminary engineering and right-of-way:

(i) Increase in right-of-way costs over 1965 estimate for segments not included in items (l) and (k)	890
(j) Increase in preliminary engineering costs over 1965 estimate, for segments not included in items (l) and (k) plus overruns in preliminary engineering and right-of-way projects previously considered fully financed for 1965 estimate purposes	385
Subtotal	1,275
Four-lane minimum design requirement:	
(k) Added cost to provide a minimum of 4 lanes for previous 2-lane segments of the Interstate System, in accordance with sec. 5 of the Federal-Aid Highway Act of 1966	335
System changes:	
(l) System additions and significant system adjustments, including deleted system segments, total \$1,345,000,000 which is offset by an allowance of \$5,000,000 per mile for 83 miles included in the 1965 estimate—Increase	930
Grand total	9,075

5. According to the 1968 Cost Estimate, some \$4.66 billion of the increase, more than half, is attributable to added construction items not included in the 1965 estimate.

(a) Why were these items not included in the 1965 Cost Estimate?

Answer: The 1965 Estimate was prepared on the best judgment then available to State and Bureau people as to the needs of the system to provide the service expected to be rendered for transportation requirements. It was not apparent in 1964 that these needs would be as great as they were shown to be in 1967 when the new estimate was being prepared. The Bureau and the States are constantly being requested to approve new interchanges, to provide crossing for local service roads, to provide new service ramps, to provide additional lanes, etc. As more and more of the system is completed these needs become more established and the later estimates reflect this change in concept. In addition, it has been recognized the early pavement designs in many instances were not capable of carrying the traffic loads to be imposed by 1975 and later years. Further, there is obvious need now for changes involving added safety features needed to give optimum protection to the traveling public. All of these elements are included in the \$4.66 billion increase and are itemized in the listing under Question 4.

(b) Can we look forward to comparable additional construction items in the next cost estimate?

Answer: These items of additional construction needs should be minimized by the time of the next estimate since this is a "pick-up" really, of earlier oversight or miscalculation as to the real impact of the Interstate System on traffic service requirements and demands. There will be some increase, of course, but it is our judgment this will be a diminishing factor as the system draws nearer to a status of total completion.

6. The 1968 Cost Estimate was based on calendar year 1966 prices. We have now passed the first quarter of 1968.

(a) How much have prices increased since calendar year 1966?

Answer: The Bureau of Public Roads quarterly report on construction price index shows the following trend during 1967 and early 1968. The four quarters of calendar 1966 are shown for comparison purposes.

Year:	Composite index
1957-59 (base)	100.0
1966:	
1st quarter	109.0
2d quarter	113.7
3d quarter	115.6
4th quarter	112.8
Year average	113.0