

RUBY CONSTRUCTION COMPANY, INC.,
GENERAL CONTRACTORS,
Louisville, Ky., May 24, 1968.

Re Davis Bacon Rates on ABC System.

JAMES SPROUSE,
*Associated General Contractors of America,
Washington, D.C.*

DEAR JIM: In answering your wire to George Long regarding above reference, I talked to our Highway Department. They advise that the basic rates on the prime contract would not change. They estimate that local suppliers such as ready mix, aggregate, and other material suppliers which are not presently bound by the contract rates would become involved under Davis Bacon.

In addition to this, there would be added administrative costs to administer this type of program over and above their present commitment under the Interstate and Appalachia Program. Their estimate on these additional costs would be an approximation of twenty percent of the contract amount. Our ABC system in Kentucky varies somewhat, but anticipate approximately forty million dollars in Kentucky this year in this program.

Trust this information will be helpful in your fight with Congress.

Very truly yours,

RUBY CONSTRUCTION CO., INC.,
C. J. POTTER, *President.*

Mr. KLUCZYNSKI. Mr. Fallon?

The CHAIRMAN. I would like to correct the record. I would like to go back to Mr. Gilvin's figure on increased cost of the future of the program.

You used a \$56 billion figure and you divided this by 3 as the additional cost which would be one-third.

Do you not think that you should have subtracted the money that is already spent from the \$56 billion and then divided it by 3?

Mr. GILVIN. That was a horseback estimate.

The CHAIRMAN. That was just a suggestion.

Mr. KLUCZYNSKI. Thank you, gentlemen.

The next witness will be Mr. Burton W. Marsh, executive director, The Institute of Traffic Engineers.

Mr. Marsh, you may be seated, and proceed.

STATEMENT OF BURTON W. MARSH, EXECUTIVE DIRECTOR, THE INSTITUTE OF TRAFFIC ENGINEERS

Mr. MARSH. The 1958 National Highway Needs Report transmitted by the Secretary of the Department of Transportation to the Congress earlier this year points up and need to begin promptly the planning for future highway programs to assure an orderly transition from the present program. Now is the time to determine highway transportation policies that will best serve the Nation in the years ahead.

The Institute of Traffic Engineers has a fundamental interest in national highway transportation policies and programs. Its over 3,000 members are largely employed in street and highway transportation, with the common objectives of the safe, efficient and convenient movement of persons and goods.

This statement of the Institute of Traffic Engineers is authorized by a resolution adopted by the membership in its annual meeting in St. Louis, September 1967. The board of direction has approved the statement under authority granted by the resolution and the constitution and bylaws of the institute.