

We feel that in order to develop a rational determination of the need for additional Interstate mileage, it is necessary that we take a look at our overall highway needs and a look at the available financial programs to meet these needs. There is no question but that the concentrated effort that has been placed on the existing Interstate System of Highways has resulted in a deterioration of our other urban and rural primary highway systems. The present Federal-aid Program does not provide for sufficient funds to meet the needs on these systems, and a further enlargement of the Interstate System would continue to "drain off" funds for the betterment of one system of highways while allowing the other systems to continue to deteriorate.

It is my firm belief that Congress should make a detailed study of the matter of distribution of Federal-aid Highway Funds before increasing the size of the Interstate System inasmuch as the presently designated system will not be completed until the late 1970's. There are a great many inequities in the present Federal-aid Highway Program in that many States are penalized by the apportionment of Federal Funds with these inequities directly related to the fixed nature of the Interstate System. To emphasize this situation, I have tabulated below the Federal-aid Funds apportioned to North Carolina from the Trust Fund for an average five-year period along with the estimated revenues paid from North Carolina to the Trust Fund.

Federal-aid funds apportioned to North Carolina from highway trust fund

Fiscal year:	Amount (millions of dollars)
1968 -----	54.3
1967 -----	50.4
1966 -----	46.3
1965 -----	44.3
1964 -----	43.1

Estimated Federal excise revenues paid into highway trust fund by North Carolina

Fiscal year:	Amount (millions of dollars)
1966 -----	106.9
1965 -----	103.3
1964 -----	98.9
1963 -----	93.6
1962 -----	86.4

It is to be noted that North Carolina has been receiving less than a 50% return on the funds paid into the Trust Fund. This does not appear to be an equitable approach: and, according to recent statistics, North Carolina receives the lowest percentage return from the Highway Trust Fund of any State in the country. During the life of the Interstate Program, North Carolina will have paid into the Trust Fund in excess of a billion dollars more than it will receive in return. This has placed a very heavy financial burden on North Carolina and made it extremely difficult to keep abreast with the need for the improvement of the Primary, Secondary, and Urban Systems. In 1965, a \$300,000,000 bond issue was passed by the people of North Carolina in order to attempt to keep up with increasing highway demands. Even with this additional funding, North Carolina continues to fall behind because so much of the revenue sent to the Trust Fund is distributed to other States. All of which has taken place because the Interstate System in North Carolina is far less than in similar States and particularly because North Carolina does not have the many needed Interstate circumferential and spur routes into and around our metropolitan areas. It has been estimated that North Carolina, with more than 2½% of the population in the country, is receiving about 1% of the total Interstate funding.

It would, therefore, be my judgment that any new long-range highway program that may be considered by the Congress should be established in a manner that no State would be severely penalized in terms of the funds collected as revenues and the funds made available for Federal-aid construction. North Carolina would not be in a position to support Federal-aid Highway Legislation that does not provide for such an equitable return.