

Road Fund Compromise Poses Virginia Delay

Richmond, Va., August 1, —A compromise formula for financing the huge federal interstate highway program hammered out by a Congressional committee will mean an immediate cut in Virginia interstate funds, highway officials said here yesterday.

If the committee plan is approved by Congress, however, appears that federal aid for the construction of primary, secondary and urban roads will remain un-changed.

There were indications the plan worked out by the House Ways and Means Committee in Washington will be approved by Congress. The committee rejected any increase in the federal gasoline tax to pour more money into the federal highway trust fund.

Instead of the group approved plan which will slow the pace of the 40-billion-dollar interstate construction program four years hind its 1972 target date.

Under the old federal aid schedule Virginia was allocated about 105 million dollars for the current fiscal year. The state's tentative allocation for the year beginning July 1 also would have been about 105 million.

But under the slower financing method approved by the committee Wednesday Virginia officials anticipate only 63.5 million dollars in federal interstate grants for the current financial year.

And instead of another 105 million dollars in 1960-61, Virginia could expect about 25.5 million dollars in interstate grants. The following year Virginia's share would be about 59 million. The interstate program calls for the federal government to pay for 90 per cent of the interstate costs, the states 10 per cent.

Actually, however, the state's share runs to about 12.5 percent instead of 10 percent, because of some expenses involved in interstate—highway construction which the federal Bureau of Roads will not reimburse.

The other highway federal aid programs remain unengaged under the committee formula. In 1958-59 Virginia's federal grants-on 50-50 matching basis—totaled \$16,622,000 for primary roads and \$6,153,000 for secondary roads.

This year the grants will total \$9,498,000 for primary and \$4,195,000 for secondary roads. Estimates for 1960-61 for Virginia's federal grants total \$9,830,000 for primary and \$4,270,000 for secondary roads. There also were indications the reduced federal interstate grants —if they are reduced—may cloud the chances of federal approval of the southern route for interstate 64 between Richmond and Clifton Forge.

The State Highway Commission has approved the longer and more expensive southern route through the Farmville-Lynchburg—Roanoke areas, despite estimates it would cost 37 million dollars more than the earlier route selected—via Charlottesville, Staunton and 1 Lexington.

Highway Commissioner S. D. May said he had "no idea what the slowdown of the interstate program will mean for Interstate 64. That's up to the Bureau of Roads."

May acknowledge if the committee formula is approved there would be far less federal funds available for the next few years. But he said it would take at least two years after a decision is made on Interstate 64 before construction could start. Also, he said, if the state gets only 63.5 million dollars in interstate funds for the current financial year the State Highway Commission will have to change existing allocations for highway construction.

Earlier this year the commission accepted only \$87,011,109 of the 105 million dollars available in interstate grants, requiring only 11.6 million in state funds to match the federal money.

H. H. Harris, May's executive assistant, said the reduced interstate program will free about 2 million dollars in state funds which can be reallocated to secondary or primary roads.

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