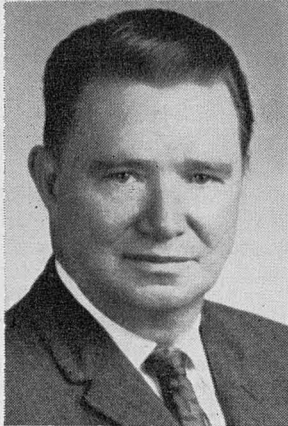


## ADDRESS

HENRY WARD

Commissioner of Highways

I am pleased that I am in a position to report to you, as the responsible administrative head of the Kentucky Department of Highways, that fine progress has been made during the past year in this department.



Kentucky is moving ahead rapidly in the planning and construction of a system of highways needed to keep this state in a competitive situation with other states.

All public funds—both state and federal—available for the planning and construction of highways are being utilized. They are being put to work as they are available. No state in the nation is in a better position than Kentucky in this regard. It is our firm intention to put this money to work as it is available.

During the last calendar year, your Kentucky Department let construction contracts in excess of \$122,000,000—an all-time record. We hope to beat that mark this year.

Forward strides have been made through reorganization of the Department's districts. The number of district offices has been reduced from 14 to 12, and they have been staffed with both engineering and administrative personnel well qualified to carry forward the program.

We have made excellent progress in the reorganization of the central office at Frankfort that will promote both efficiency and economy.

Every effort is being made to apply business management practices to the department and to the highway program. With financing problems being what they are, it is only through such practices that money can be stretched to do the job that must be done.

I am proud of the fact that Kentucky today is utilizing all Federal-Aid funds available for advance planning. Never before in the history of the Kentucky Department of Highways has the Department secured all such available funds and put into effect a program for planning that is so vital to the future of our highway system. I must confess, however, that I am not satisfied with the progress that we have made in the Department in the development of a planning staff of departmental employees. We are still relying too much upon consulting firms to do the job that should be performed by state employees.

We are making excellent progress, in my judgment, in the advancement of the Interstate System. The key to Kentucky's position in this regard is not how many miles we have under construction or how many miles we actually have open, but where we stand in connection with programming of this system that will bring it to completion in 1971. In this respect, we are in an excellent position. Only relatively short sections of the Interstate System yet are to be located, and we are in the process of resolving these questions. We have had the public hearings required by law and preliminary engineering performed on the remainder of Interstate 65 from Upton to the Tennessee line. We have had hearings on Interstate 75 for the remaining section to be located between Richmond and

Williamsburg. We have preliminary engineering in process and within the next several weeks we will have a hearing on the remainder of Interstate 64 between Mt. Sterling and Grayson. As a practical matter, Interstate 71 is well located between Louisville and Covington. We have traffic assignment study underway at the present time by a nationally known firm for the location of Interstate 24 through western Kentucky.

We are proceeding with engineering so that, in an orderly way, plans will be completed and rights of way acquired, and we can proceed with the award of contracts for those sections of the Interstate System which will provide the greatest service to traffic. We have every reason to believe that in the orderly development of this program the entire Interstate will be under construction in Kentucky in 1968 and will be completed and open for traffic in 1971 if Congress continues to provide the funds which it had indicated will be available.

Kentucky is making similar progress in the development of plans and utilization of Federal-Aid funds for the regular Federal-Aid program. The only problem we have here relates to the fact that there just simply is not enough money annually to even begin to do what needs to be done in the development of the major system of highways in Kentucky. Actually Kentucky lost in excess of \$300,000 this fiscal year from Federal-Aid funds for the same reason that we are losing a Congressman. Federal-Aid funds are distributed among the states in accordance with the formula that takes population into consideration and we did not keep pace with other states in population increase. Kentucky receives only \$14,316,607 annually of Federal-Aid funds for the primary, urban and secondary programs. We match this total with an equal amount of state funds available from the 1960 bond issue. This gives Kentucky a total of only \$28,632,000 available each year for the construction of projects on which Federal funds can be expended. We are using these funds as they become available.

Actually, Kentucky's program this year will be retarded due to the fact that the new allocation of Federal funds will not be available until around August 15.

This, incidentally, is one problem which should be overcome because it makes difficult the awarding of contracts on an orderly basis to the end that construction work can be completed in one construction season. As a practical matter, the Kentucky Highway program should be administered on a calendar rather than fiscal year basis. This is an objective toward which both the State and Federal Government should work.

The real problem for Kentucky in the area of development of a major system of highways lies in the fact that in an insufficient amount of money is available on an annual basis to approach the job that needs to be done. It has been estimated that it would require \$130,000,000 a year for 10 years to bring the present system of state highways up to modern standards. As I have told you, we have only \$28,632,000 annually for this purpose. Obviously, then, some of the highways which will be built today to modern standards will be outmoded by the time the entire system is finished under such a financing schedule.

Kentucky has made remarkable strides during the past year in supplementing the Interstate System with important highways that will fill the gaps in other areas of Kentucky. A remarkably fine construction job has been done on the Eastern Kentucky Turnpike, and it is on schedule looking toward its completion this winter. Similar progress is being made on the Western Kentucky Turnpike, and it too is on schedule looking toward a completion in the fall or winter of 1963. These two great projects go into important areas of Kentucky and will make a tremendous contribution to the economic uplifting of our state. They were made possible through the issuance of revenue bonds. By this means Kentucky has overcome the handicap of insufficient annual funds available for construction in a single year. The use of revenue bonds for the construction of these highways in effect releases Federal funds and state funds for construction of

other highways that might not otherwise rate as high in the program. For example, we are in the process of improving US Highway 68, and we have plans for US Highway 60 and for US 23 and other major improvements that will be made possible because funds which might have gone for US 60 between Louisville and Ashland and US 62 between Elizabethtown and Paducah can be diverted to other purposes as a result of construction of Interstate 64 and the Western Kentucky Turnpike.

The expanded planning program in which we are engaged will assist materially in the selection of projects for construction which will give the people of Kentucky the greatest advantage from expenditure of the funds that are available. So often in the past, short sections of highways have been built to very high standards and then the State discovered it could not finance their completion at such standards. This has resulted in a crazy patchwork of highway construction throughout the State. Your Kentucky Department of Highways today is attempting to avoid this type of highway construction by proper planning and proper design to meet the needs of the future. At the moment this program may result in some delays in specific projects, but in the long run it will give Kentucky the kind of highway system the State has always needed for its economic advancement.

The state funds that are available to the Department of Highways for state projects which cannot be financed with any Federal assistance and for maintenance of highways and bridges are limited. In the past few years, adverse weather has been disastrous to our highways. It has been most difficult for the Department of Highways to provide proper maintenance for the roads which are its responsibility. I think that the maintenance organization in the Department warrants congratulations in view of the excellent record that has been made with limited funds available. The cost of maintenance in the Highway Department obviously increases year by year as new roads are built. The cost of maintenance increased from \$15,000,000 in 1956 to approximately \$28,000,000 annually. This cost is going to continue to go up. The only answer is that the Department of Highways must, to the best of its ability, devise new methods of maintenance that will produce to the greatest extent economies that are possible within the system. I would like to compliment Tom Hopgood, Director of Maintenance, for one step in this direction which was put into effect this past year. His suggestion was that trucks used to spread salt for snow and ice control be provided with mechanical spreaders so that we could buy salt in bulk. This produced a savings of approximately a quarter of a million dollars. We are supplementing this program by the purchase of trucks large enough to haul much larger quantities of salt and materials. This also will effect a considerable savings in time and personnel. We are attempting to provide the Department of Highways with equipment which will do an efficient job and aid in lessening the deadening effect of heavy personnel payrolls.

I am perhaps proudest of the progress that has been made by the Kentucky Department of Highways in connection with administration of what we call the Rural Secondary Highway Program. This is a program financed by 2/7 of the gasoline tax. This year it is estimated that this tax will produce something in excess of \$19,000,000. These funds will be distributed among the counties in accordance with a scientific formula on an equitable basis. The records of the past show that there has not been an equitable distribution of this money. In the first two years of the immediate past administration there was very little expenditure of this money. That administration obviously saved the money for use in a campaign year in an attempt to elect a Governor. There was evidence that exorbitant amounts of this Rural Secondary money was allocated for some counties on a purely political basis. And, by the same records, there is evidence that inequitable distributions were made to many other counties for political reasons. We have resolved this problem by the adoption of a formula that guarantees that

a proper amount of these funds will be expended in each county. I am pleased that there has been introduced in the Kentucky General Assembly legislation that will write this formula into law. This act has passed the State Senate and is now pending in the House of Representatives, and I have recommended its enactment.

More effective utilization of the Rural Secondary money can be brought about by bringing the district offices of the Department of Highways aggressively into this program. There is every reason that programs within the counties be developed on a long range basis. Selection of projects on a hit or miss basis without regard for the development of a system of rural roads can result in a waste of these funds. The district offices have been directed to meet with the local officials and others interested in the highway program in each county and to develop on a long range basis programs for the utilization of funds available for rural and secondary roads. It is of vital necessity that this program be brought into proper focus to the end that the public will receive the greatest benefits.

I give you my assurance that I am attempting to do in the Kentucky Department of Highways everything within my power to provide for businesslike organization and businesslike administration of the Department. However, I must sound this warning. The people of Kentucky cannot rely upon a Commissioner of Highways or the Department of Highways to provide the continuity or the kind of program that Kentucky must have if its highway system is to be developed and maintained properly. I have now been Commissioner of Highways for 18 months, which is most unusual, considering the history of the highway commissioners in the past several years. I am in the position because I am concerned about the importance of the highway program to Kentucky. I will do everything I can while I am there. I assure you that the personnel in the Department of Highways is cooperating to the fullest extent possible with me in the advancement of this program.

The adoption of the Merit System may go a long way toward providing within the Department personnel that will provide strong leadership in the development and execution of a highway program. But I cannot assure you that this program will go forward without any hitches merely because of the emphasis that may be given to it by a Commissioner of Highways or because of its administration within the Department itself. If Kentucky slides back into the kind of political situation that it has encountered at times in the past, then I can guarantee to you that the highway program will also slide back.

There is a desperate need in Kentucky for informed leadership outside the Department of Highways. There must be an understanding of the financing problems involved in this program. There must be an understanding that this is a partnership program. We cannot expect the Federal Government to carry the entire load of this program. By the same token, the cities and counties of Kentucky must understand that the State of Kentucky cannot carry the entire program either. There is the most desperate need for an understanding of the fact that with more than 68,000 miles of roads and streets in Kentucky it is very obvious that the job of building and maintenance of these streets and roads cannot be dumped in the lap of the Kentucky Department of Highways. This understanding must be developed by people who are interested in the development and execution of a proper program looking toward the building and maintenance of a system of highways to serve the needs of Kentucky. There needs to be an independent group of individuals who will organize themselves effectively into a group that will maintain continuing knowledge of all aspects of the highway program and continuing emphasis upon the development of our Commonwealth of a proper contribution. Such a group does not now exist. I encourage individuals concerned with the long-range road program to aid in its development and operation.