REMARKS BY

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I am glad to have a part in the program of this opening session of the Kentucky Highway Conference, March 20, 1972. This is a special day for me. It is the 103rd anniversary of my appointment as Commissioner of Highways. Of course I don't mean 103 years, just 103 days. Obviously, however, there hasn't been time for me to become the greatest living expert on Kentucky highway programs, or the Kentucky Department of Highways, for that matter. But I have not wasted my time, not by any means. I have learned a few things and acquired a few ideas. These I would like to share with you this morning.

I suppose the observing public would say the most important thing that came out of the session of the General Assembly just completed, at least as far as the highway program is concerned, is the addition of two-cents to the motor-fuel tax. The money it will provide is vital to the highway program, particularly to our plans for road construction.

Highway construction in Kentucky, as in all fifty states, relies substantially on Federal aid. But the money made available to Kentucky from Federal sources, including the Interstate Program, the Appalachian Program and the oldest of all Federal aid, the so-called 'A-B-C' Program, is not granted without conditions. The principal requirement is matching funds, in varying proportions, provided by the Commonwealth.

For 15 years the Department has relied on the proceeds of three separate bond issues to provide these matching funds. But now the kettle is empty. The well is dry.

The alternatives left facing us at the beginning of this Administration were simply these: 1. Another bond issue; 2. Additional tax revenues to support the highway program; or 3. Stop highway construction in Kentucky. Governor Ford very wisely discarded the third alternative, obviously because this is a total impossibility.

Almost any review finds Kentucky near the bottom of the economic ladder among the states. Most Kentuckians recognize that our best hope of expanding the Commonwealth's economy, and raising its comparative position, is through an improved highway system. We have already seen substantial benefits derived from those modern highways now in service. I think most everyone agrees with the Governor: Kentuckians would find it unacceptable to put an end to highway progress. Courageously, Governor Ford elected to support the construction program with additional revenues. As a banker and a conservative in money-matters, I applaud his choice. Our credit has been stretched to the limit; now we must dig for cash.

In case there are illusions, I would like to make it plain that the additional revenue we expect to gain will add nothing to existing programs. This only allows us to continue with the programs we have started.

If anyone thinks the Department of Highways has found that pot-of-gold at the end of the rainbow, let me disillusion him now. We are still faced with the continuing problem of determining priorities among Kentucky's many highway needs and trying to place our construction and maintenance dollars where the need is greatest; where the benefits anticipated are the most.

As I said, I suppose many would consider this the most significant action by the General Assembly affecting highway programs. But to my mind, even more far-reaching is the assignment of one-half cent of motor-fuel tax revenues to an Urban Streets Aid Program. This constitutes a new and fresh direction for highway programs in the Commonwealth.

The mission of the Department of Highways through its 52 years of history has been limited, not by law but by a pressing need to provide a network of roads linking the various towns and regions of the Commonwealth. The bulk of the Department's accomplishments have been on rural mileage. When the General Assembly began to enlarge the highway program in 1936, its first significant action was the creation of a Rural Highway Program, now known as the County Road Aid Program. This program, of course, affected rural mileage. Then, in 1948, the Rural Secondary Program was initiated and an additional two-cents of motor-fuel tax was directed to the "construction, reconstruction and maintenance of a system of secondary and rural roads." These two rural road programs were then, and are still completely realistic in their objectives. They deal with the real and continuing needs of rural citizens of the Commonwealth.

The last few years have seen the population of our great urban areas growing at an accelerating pace. Creating traffic problems that city governments simply could not deal with. I don't intend to try to explain municipal financing here and now. I must confess I feel competent to do so. As Mayor of Sturgis, I took post-graduate work on that subject, in the field. It is enough to say that the restricted revenues of city governments and the many demands for service made on them, have limited the cities' efforts to deal with their traffic problems.

The new statute now assigns to the Department of Highways, effective July 1, 1973, a share of this responsibility. I intend to see it dealt with responsibly. It is still too early, however, to tell you exactly how we
will administer the program. In general, I can say that it will probably be very much like the operation of the County Road Aid Program. We will rely heavily on the advice of municipal officials and on county officials in un-incorporated urban areas. We will develop annual programs formalized by written agreements. We will be flexible in adapting our programs to the needs of each community.

But traffic problems escalate with the size of the community. Actually, added population creates problems beyond proportional population growth. The amounts assigned to Louisville, Lexington, and the great urban area of Northern Kentucky, through the Urban Streets Aid Program, while they will be enormously helpful to these communities, will not solve all their problems. There are needs for radials and circle routes in these communities which simply must find other support.

One possibility that deserves serious study, not only by the Department of Highways but by affected local governments, is toll-road construction. I know all the objections to this method of funding. I know there are some who will complain there should be a way to provide free facilities for urban traffic. I am just as willing and anxious as any mayor or county judge to find a means of providing these facilities, but I know you have to start with money. It will take more money than we have now, in old programs and new.

I have no proposals to make at this time, but I call on local officials, city and county, to join me in searching for the way to make our Urban Streets Aid Program most effective. We are continuing to look for other means of responding to traffic needs that will not be met by the program.

The 1970 census disclosed that 52 percent of Kentuckians live in urban settings and by 1980 this will be 57 percent. We must face up to their needs.

I am happy to have had a chance to share my thoughts with you. I look forward to other, less one-sided conversations with you later in the day.