

the future and ignores existing realities arising from various factors, among which are the following:

1. Actual construction costs are now approximately 30% in excess of original program estimates. This results from the continued rise in labor and material costs, changes in highway design effectively to meet the needs of increased traffic flows, and similar items.
2. Accelerated and added charges against current construction funds for which there is no replacement source. A prime example is the assumption pursuant to legislative enactment of seven million dollars in costs for the Baltimore County Beltway to provide treatment for that subdivision similar to that accorded to other areas, but not originally contemplated by the 12-year program. Another example is the accelerated redemption of Patuxent River Bridge Bonds at a cost of \$1,500,000. While most of this expenditure would probably have been required ultimately, its payment in one year of the program immediately depleted construction funds to that extent, in accordance with legislative enactment.
3. Maintenance, both ordinary and emergency, has been taken in increasing amounts from construction funds pursuant to legislative authorizations, as a necessary concomitant of the deferment of the increase in registration fees, which was to have provided funds for this work. The original authority for the Commission to transfer up to two million dollars per year from construction and maintenance funds has been successively increased to three million dollars, and now to four million dollars. In addition, there has been created by statute an annual fund of \$1,500,000 for emergency work, likewise transferable from construction funds. These are some of the factors which, of necessity, are slowly but surely cutting down the programming of work within the scheduled periods of the program. Within the next year, it is not only probable but a virtual certainty that the continuing impact of these factors, and others, will be such as definitely to require imposition of the increased fees if the program is to be maintained approximately within its schedule and the various sections of the State accorded equal treatment in execution of road improvements as proposed, and in effect promised, by the original legislative enactment. The uncertain factor until recently has been the question of effect of increased federal funds upon the program. Although there is still uncertainty as to the ultimate amount of Federal Contributions available for work which is a part of the program, it is obvious that these contributions will be much more substantial than ever contemplated originally. However, the present experience of the State Roads Commission with State contributions for highways in the Federal Interstate System makes it apparent that our contributions will in many instances equal, and even exceed, the cost of the program work for which the substitution is made. In some instances, of course, our required contribution will be less, but there is no reasonable basis, especially in the light of other increased and added costs and changes as outlined above, to expect that Federal funds will free any appreciable amount of construction money for other purposes or lessen the ever increasing burden.

It would appear that the present policy of year to year review and deferment which has just been sanctioned again by me should be continued. No possible harm can result from continuance of this program of continuing review while irreparable damage may well