

and Ray Barnhart who is the federal highway administrator. The discussion dealt with this one-half of one percent which comes from the federal highway trust fund to every state which has completed its interstate system. My recommendation in that letter which is dated July 12, 1982, was that he suggest to Congress a change in that formula so that states which have completed their interstate system but are drawing money from the Interstate Transfer System will not be able to get both of them. They must select one fund. In the letter which Barnhart wrote to me you will see his explanation of how that one-half of one percent works. It is not restricted to use on the interstate as far as upgrading it once the interstate system has reached completion as far as construction. So Nebraska had been using it on primary and perhaps secondary roads. In the article I handed to you earlier about the free...well, not the freeway in the fast lane, but one of them dealing with the number of deficient roads in Nebraska you will read where Lamberty, the current Director of the Department of Roads says that that funding mechanism probably will change, as a matter of fact, and that one-half of one percent, if it comes at all, will have to be used to upgrade the interstate alone which means that that source of funds which has been used on state primary roads will no longer be available. It will have to go strictly for the interstate, so that money which was coming to Nebraska and being used on primary roads will not come anymore and it must be made up from some other source. That source will be the tax on gasoline, the flat amount plus the variable rate which is expected to go up to four cents, I think, by the end of this year. Now to tie that into the North Freeway project, if you look at one of the items, if I haven't given it to you yet you will get it soon, oh, it is connected to this. There is an article, the most recent one I gave you, there are three pages, David Coolidge the former Director of the Department of Roads said these words to the World Herald in an article dated June 24, 1982: "David Coolidge, Nebraska Roads Director state engineer said Nebraska's 'committed goal' is to use only interstate substitute funds on the North Freeway project. He said state and Omaha city officials are agreed on that goal. "It has always been that way," Coolidge said. Now, you will look at this article I handed you about the \$30 million from gas tax money that is going to the North Freeway project which shows a change from the way it has always been. Coolidge said that the state and the city officials of Omaha have agreed that the money for the project will only come from interstate transfer funds. Now they are not going to rely on that source because there may not be enough and they are going to dip into the gasoline tax money that is coming to the state which was not to be the case. This no longer is merely