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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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NOV 1 1971



Dear Senator Proxmire:

In accordance with your request dated July 28, 1971, and subsequent discussions with your office, we have inquired into the planned construction of the Pan American Highway through sections of Panama and Colombia. The area through which the highway is to be constructed is commonly referred to as the Darien Gap. The route for this section of highway was selected by the Darien Subcommittee of the Organization of American States in November 1968. The selection was preceded by route location studies made over a period of years by the Darien Subcommittee with the assistance of the Federal Highway Administration (FHWA). p. 2450
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Several alternative routes were considered for the highway. The route ultimately selected follows a valley through central Panama from Tocumen to Palo de Las Letras on the Panama-Colombia border. From that point, it crosses the Atrato Swamp in Colombia to connect with the Turbo-Medellin highway near Guapa, Colombia. (See enclosed map for selected route and alternative routes considered and proposed.) The total distance of the planned highway is about 250 miles. The factors considered in selecting this route are listed below.

1. The route is believed to have superior topography and a minimum of river crossings as compared with the other alternatives considered.
2. The section of the route through Panama provides significant potential for mineral, timber, and agricultural development in central Panama. The Government of Panama has expressed great interest in developing this central area.
3. A treaty entered into in 1960 between Colombia and Panama provides for the Pan American Highway to cross into Colombia at Palo de Las Letras. The route selected crosses the border at that point.
4. Engineering and geological studies conducted by FHWA indicated that it is possible and feasible to construct a highway through the Atrato Swamp. A crossing of the swamp at the point selected provides a direct route to a highway which leads to Bogota, Colombia.

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5. Cost estimates indicated that it would be more economical to cross the swamp than to follow other alternatives to connect with the highway to Bogota.

Construction of the highway through the Darien Gap along the selected route is estimated to cost \$149.3 million and to require about 10 years to complete.

The enclosure to your memorandum of July 28, 1971, discusses another highway route which some persons believe would be better than the one selected. It would follow the eastern coast of Panama to the Gulf of Uraba from where a ferry would link up with the other side of the Gulf at Turbo, Colombia. From Turbo a motorist would travel north and then south to Medellin, Colombia, on a highway which the proponents of this alternative consider to be superior to the highway which has been selected as the connecting route to provide access to Bogota. These proponents contend that the route they prefer, through Turbo, would provide a drier, more scenic route to Colombia than the route selected by the Darien Subcommittee.

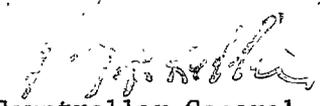
An FHWA official informed us that while the route along the Caribbean to Turbo was not one of the alternative routes considered by the Darien Subcommittee and FHWA, it would not have been acceptable because the eastern part of Panama through which the proposed route would run is isolated by a mountain range from the central part of the country which the Government of Panama wishes to develop. It should also be noted that the 1960 treaty between Panama and Colombia provides for the highway to cross into Colombia at Palo de Las Letras and the proposed route through Turbo would not meet this treaty requirement. In addition, Palo de Las Letras is also the connecting point for a highway to be constructed by Colombia along the Pacific Coast.

The proponents of the route through Turbo also contend that this route would be less costly than the one selected. One of the proponents estimated that the proposed route would cost about \$97 million versus \$149.3 million for the selected route. The enclosure did not indicate the basis for the \$97 million estimate. The \$149.3 million estimate for the route selected was developed in part by two engineering consulting firms and in part by FHWA. According to an FHWA official, the part of the cost estimate developed by the engineering consulting firms was based on the cost of constructing similar types of highways in that part of the world, while the part developed by FHWA, relating to construction of the highway through the Atrato Swamp, was based on FHWA's

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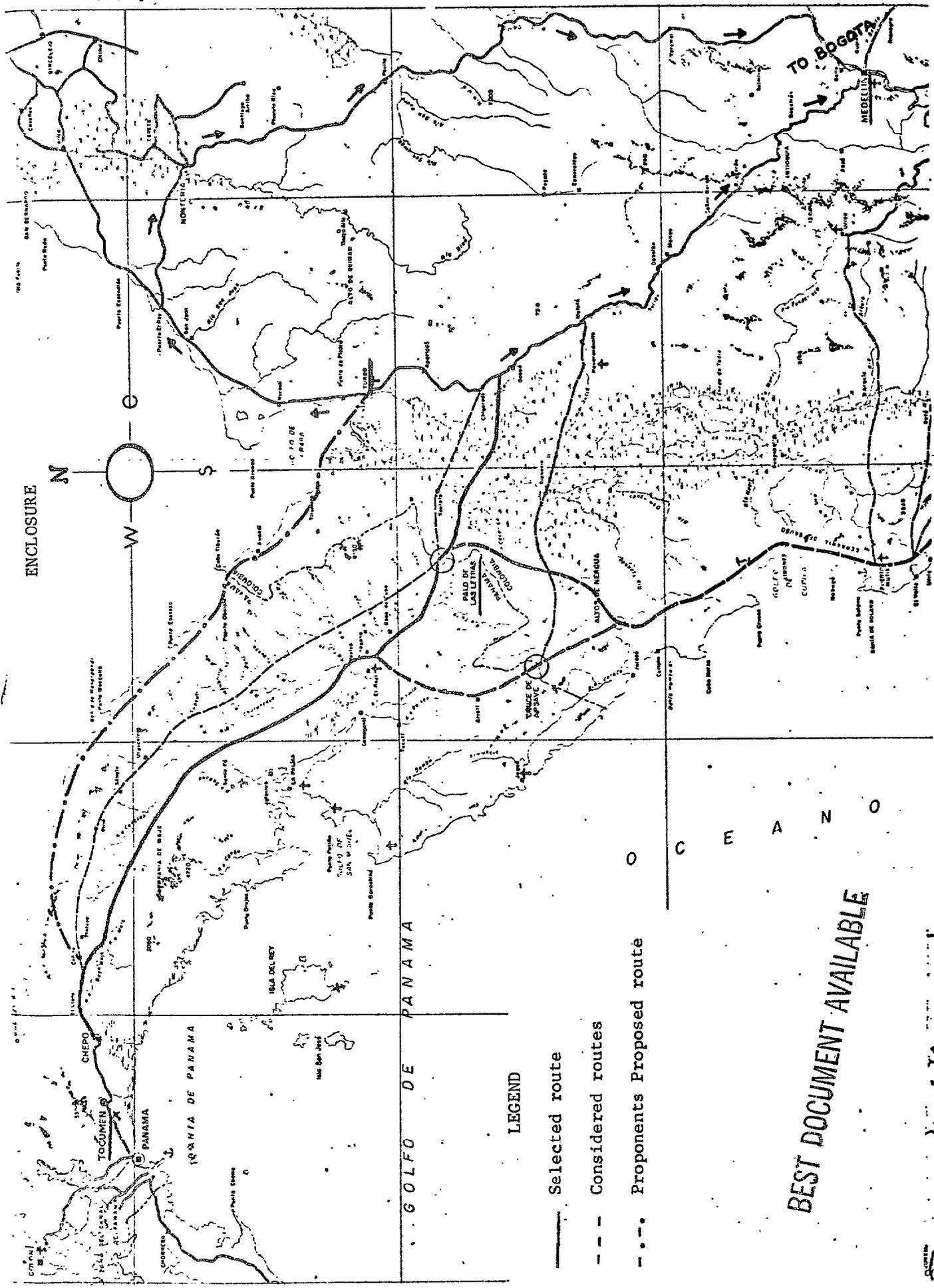
best engineering judgment. This cost estimate includes a 15 percent factor for engineering and supervision, 20 percent for contingencies, and 25 percent for inflation over the 10-year construction period. These factors should provide some protection against possible cost overruns.

Sincerely yours,

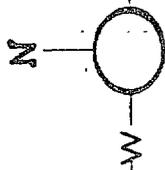

Deputy Comptroller General
of the United States

Enclosure

✓
✓ The Honorable William Proxmire
✓ United States Senate



ENCLOSURE



GOLFO DE PANAMA

LEGEND

- Selected route
- - - Considered routes
- · - · Proponents Proposed route

O C E A N O

BEST DOCUMENT AVAILABLE