

STATEMENT OF,
RICHARD S. PAGE
URBAN MASS TRANSPORTATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
BEFORE THE
HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
SUBCOMMITTEE ON SURFACE TRANSPORTATION
MARCH 19, 1979

GOOD MORNING MR. CHAIRMAN, MEMBERS OF THE COMMITTEE,
I APPRECIATE THE OPPORTUNITY TO PRESENT TO YOU A DISCUSSION OF
UMTA'S TITLE III AND RELATED PROVISIONS OF THE SURFACE TRANSPORTATION
ASSISTANCE ACT OF 1978.

IN HIS LETTER OF MARCH 16, 1979, CHAIRMAN JOHNSON ASKED THAT WE
FURNISH SPECIFIC INFORMATION INCLUDING BUDGET INFORMATION FOR
FY 1979 AND FY 1980, AND THE SCHEDULE AND MEANS FOR IMPLEMENTING
ALL OF THE PROVISIONS OF THE ACT. THIS MATERIAL HAS BEEN
SUPPLIED TO YOU FOR THE RECORD, AND FOR YOUR USE IN THESE HEARINGS.

IN ADDITION, OUR FY 1980 ESTIMATES WERE EXPLAINED TO THE HOUSE
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION ON MARCH 6. I
HAVE INCLUDED MY FORMAL STATEMENT TO THAT COMMITTEE IN THE
INFORMATION THAT WE HAVE PROVIDED TO YOU. I BELIEVE IT CLEARLY
OUTLINES OUR OPERATING AND MANAGERIAL POLICY BOTH FOR FY 1979 AND
FY 1980. I WILL CONFINE ANY INTRODUCTORY REMARKS, THEREFORE,
TO A GENERAL ASSESSMENT OF WHERE WE STAND IN THE IMPLEMENTATION
OF THIS NEW LEGISLATION.

THE DEVELOPMENT OF THE NATION'S FIRST JOINT HIGHWAY-TRANSIT LEGISLATION IS A CREDIT TO ALL THOSE WHO WERE INVOLVED IN ITS PASSAGE. THAT LEGISLATION HAS AGAIN REAFFIRMED THE FEDERAL GOVERNMENT'S MASS TRANSIT PROGRAM, SECURED THE PROGRAM'S AUTHORIZATIONS, AND IN SEVERAL WAYS BROADENED THE SCOPE OF OUR RESPONSIBILITIES.

IMMEDIATELY AFTER THE PASSAGE OF THE LEGISLATION, UMTA SET IN MOTION ACTIONS TO IMPLEMENT EACH OF THE PROVISIONS OF THE BILL APPLICABLE TO OUR PROGRAM RESPONSIBILITIES.

IN MANY INSTANCES, THE BEST WAY TO PROCEED HAS BEEN TO DEVELOP DRAFT PROCEDURES WHICH WOULD BE TRANSMITTED QUICKLY TO TRANSIT OPERATORS, PLANNERS, ELECTED OFFICIALS, AND THE MANY OTHERS WHO ARE MUTUALLY INTERESTED IN OUR PROGRAM. WHILE THIS PUBLIC REVIEW AND COMMENT APPROACH DOES TAKE TIME, WE BELIEVE THAT IT IS WELL WORTH IT TO GIVE OUR CLIENTELE AN OPPORTUNITY TO ADVISE US ON THE BEST WAY TO MEET THEIR NEEDS AS WE IMPLEMENT THE DIRECTION OF CONGRESS.

OBVIOUSLY, THE MOST DIFFICULT PARTS OF THE NEW LEGISLATION TO IMPLEMENT ARE THE SECTION 3 DISCRETIONARY CAPITAL FUNDING PROGRAM AND THE SECTION 5 FORMULA CAPITAL AND OPERATING PROGRAM. THESE TWO SECTIONS MUST NOW BE EXAMINED TOGETHER TO ENABLE YOU TO UNDERSTAND WHERE WE ARE IN THE IMPLEMENTATION PROCESS. I THOROUGHLY AGREE WITH THE SHIFT OF PREVIOUSLY DISCRETIONARY FUNDS FOR CAPITAL PURPOSES FROM SECTION 3 TO THE FORMULA-BASED SECTION 5 PROGRAM, BUT THIS CHANGE IS A MAJOR ONE FOR MANY CITIES AND OUR HEADQUARTERS AND REGIONAL PEOPLE ARE SPENDING MUCH OF THEIR TIME

MEETING WITH LOCAL TRANSIT OPERATORS AND CITY OFFICIALS TO EXPLAIN HOW THEIR FUTURE FUNDING PROGRAMS WILL BE MET FROM THE NEW SECTION 3/SECTION 5 COMBINATIONS OF CAPITAL FUNDS.

TO DATE, A GREAT DEAL OF EFFORT HAS GONE INTO THE IMPLEMENTATION OF THE REVISED SECTION 5 PROGRAM. A DECEMBER 18, 1978 FEDERAL REGISTER NOTICE ANNOUNCED AN INTERIM AND PARTIAL APPORTIONMENT OF THE SECTION 5 MONIES AND A REQUEST FOR INFORMATION NECESSARY TO APPORTION THE REMAINDER OF THE MONIES AND FOR INFORMATION ABOUT POSSIBLE FORMULA CHANGES REQUIRED BY SECTION 319(A) OF THE STA ACT. THE INTERIM AND PARTIAL NATURE OF THE APPORTIONMENT HAS BEEN DUE TO TWO FACTORS. FIRST, BECAUSE THE APPROPRIATION BILL WAS ENACTED BEFORE THE FINAL LANGUAGE OF THE STA ACT WAS AGREED UPON, APPROPRIATIONS FOR THE THIRD TIER COMMUTER RAIL/FIXED GUIDEWAY MONIES WERE LESS THAN, AND FOR A NARROWER PURPOSE THAN, THE COMPARABLE PROVISION IN THE STA ACT. WE BELIEVE THAT WE MAY ONLY APPORTION THE AMOUNT APPROPRIATED, ONLY USING THE COMMUTER RAIL FACTORS. SECONDLY, THE DATA REQUEST MADE TO GRANTEES INCLUDES THOSE FACTORS NECESSARY TO ALLOCATE THESE COMMUTER RAIL MONIES. OBVIOUSLY, THE FUNDS CANNOT BE ALLOCATED UNTIL WE HAVE THE FORMULA FACTORS REQUIRED. I MIGHT ADD THAT IT IS OUR UNDERSTANDING THAT GAO HAS BEEN ASKED TO REVIEW THE DEPARTMENT'S DECISION ON THE DISTRIBUTION OF THE COMMUTER-RAIL/FIXED GUIDEWAY MONIES.

ONE OF THE THINGS WHICH I BELIEVE UMTA MUST DO IS TO WORK MORE CLOSELY WITH YOUR COMMITTEE AND YOUR COUNTERPART IN THE SENATE, AND WITH OUR APPROPRIATIONS COMMITTEES TO EXPLAIN MORE FULLY OUR FUNDING PROGRAMS FOR FUTURE YEARS, AND I COMMIT OURSELVES TO THAT OBJECTIVE.

THE PREPARATION OF THE PRESIDENT'S BUDGET HAS BEEN EQUALLY TOUGH, AND I KNOW THAT YOU ARE AWARE OF THE FACT THAT THE SECTION 3 AND SECTION 5 APPROPRIATION LEVELS WE ARE NOW JUSTIFYING TO THE APPROPRIATION COMMITTEE DO NOT MATCH THE RECENTLY ENACTED AUTHORIZATIONS. WE HAVE ALSO NOT SOUGHT FUNDS FOR SEVERAL NEW SECTIONS OF THE AUTHORIZING ACT.

THE BUDGET RESULTS REFLECT THE PRESIDENT'S CONCERN FOR HOLDING DOWN FEDERAL BUDGET LEVELS AS STRINGENTLY AS POSSIBLE. SOME FEDERAL PROGRAMS WERE ACTUALLY CUT FROM FY 79 TO FY 80. THE MASS TRANSIT PROGRAM HELD ITS OWN, AFTER A BIG INCREASE FROM FY 78 TO 79, AND A SMALL INCREASE IS RECOMMENDED FOR FY 81 IN THE ADVANCED APPROPRIATION FOR SECTION 3. THE GROWTH IN FEDERAL AID TO TRANSIT IS STRIKING, MEASURED FROM FY 76 TO FY 80: \$2B TO \$3.5B AND IN THE SECTION 5 AREA ALONE A 25% INCREASE FROM FY 78 TO FY 79!

EVER SINCE THE INCEPTION OF THE UMTA PROGRAM, THE TOTAL TRANSIT NEED HAS EXCEEDED OUR ABILITY TO FUND. HARD DECISIONS HAVE TO BE MADE ABOUT THE LEVEL AT WHICH FEDERAL ASSISTANCE FUNDS CAN BE PROVIDED. FY 80 AND 81 ARE GOING TO BE TWO MORE TOUGH YEARS IN THIS RESPECT.

LET ME ALSO OUTLINE THE URBAN INITIATIVES PART OF OUR SECTION 3 PROGRAM. A YEAR AGO THE PRESIDENT ANNOUNCED THE NATION'S FIRST COMPREHENSIVE URBAN POLICY, AND RECOMMENDED A TRANSIT COMPONENT OF \$200 MILLION. UMTA SOUGHT TO BE A PART OF THAT PROGRAM, BECAUSE WE HAVE LONG RECOGNIZED THAT TRANSIT CAN HAVE A VITAL IMPACT ON THE REVITALIZATION AND ECONOMIC STRENGTH.

OF CITIES - AND THE TRANSIT IMPACT IN MANY CASES IS GREATEST IN EXACTLY THOSE CITIES WHERE URBAN REVITALIZATION IS ALSO MOST ESSENTIAL.

IN BOTH THE AUTHORIZATION AND APPROPRIATION BILLS FOR TRANSIT, CONGRESS APPROVED UP TO \$200 MILLION OF SECTION 3 DISCRETIONARY FUNDS FOR SUCH URBAN INITIATIVE GRANTS, AND WE ESTIMATE OBLIGATIONS FOR BOTH FY 1979 AND FY 1980 AT THE ALLOWABLE AUTHORIZED LEVEL OF \$200 MILLION FOR EACH YEAR.

THROUGH THIS PROGRAM, WE INTEND TO FUND JOINT DEVELOPMENT, INTERMODAL TERMINALS, AND TRANSIT MALL PROJECTS IN CITIES LARGE AND SMALL. WE WILL SEEK TO INTEGRATE UMTA'S PROGRAM AND OTHER DEVELOPMENT PROGRAMS IN HUD, EDA, DOL AND OTHER FEDERAL AGENCIES, AND WILL SOON MAKE THE FIRST COMPETITIVELY BASED GRANT AWARDS FOR THE TRANSPORTATION COMPONENT OF THE URBAN INITIATIVES PROGRAM.

IN THE STA ACT, THE CONGRESS BROADENED OUR MANDATE TO INCLUDE THE INTERCITY BUS INDUSTRY. WE ARE STUDYING THE NEEDS OF THE INDUSTRY, INCLUDING CAPITAL, AS REQUIRED BY SECTION 323(B) OF THE STA ACT. AS I HAVE JUST INDICATED, WE DO INTEND TO FUND CAPITAL PROJECTS, SUCH AS INTERMODAL TERMINALS, WITHIN THE URBAN INITIATIVES AUTHORITY OF SECTION 3. AS YET, WE JUST DO NOT HAVE AN ACCURATE ASSESSMENT OF THIS NEED, AND WE ARE ENCOURAGING LOCALITIES TO PROGRAM THIS DEMAND TO US THROUGH THEIR URBAN INITIATIVES REQUESTS THIS YEAR.

WE ARE FULLY AWARE OF THE FACT THAT THESE FUNDS COMPETE WITH OTHER DEMANDS PLACED ON SECTION 3 RESOURCES. BUT WE HAVE RECEIVED REMARKABLE SUPPORT FROM PEOPLE IN CITIES AROUND THE COUNTRY WHO AGREE WITH THE IMPORTANCE OF THIS PROGRAM AND THE THRUST WE ARE PUTTING BEHIND IT. TRANSIT IS AN INTEGRAL PART OF THE HEALTH AND ECONOMIC WELL BEING OF A CITY. THIS URBAN INITIATIVE PROGRAM PROVIDES AN EXCELLENT VEHICLE FOR TRANSIT AUTHORITIES AND CITY OFFICIALS TO USE WITH IMAGINATION AND COOPERATION, TO ACHIEVE MUTUALLY BENEFICIAL GOALS. MANY OF THE PROJECTS WE ARE NOW CONSIDERING DO HAVE THIS KIND OF DOUBLE ADVANTAGE. I ASSURE THE COMMITTEE THAT WE ARE IMPLEMENTING WHAT THE PRESIDENT HAS DIRECTED AND WHAT THE CONGRESS AUTHORIZED AND APPROPRIATED. WE ARE SIMPLY PROVING WHAT WE HAVE ALREADY KNOWN-- IF WE SET OUT DELIBERATELY TO DO SO, WE CAN MAKE TRANSIT INVESTMENT DECISIONS WHICH ALSO CONTRIBUTE IMPORTANTLY TO THE URBAN ENVIRONMENT IN WHICH EACH TRANSIT SYSTEM FUNCTIONS. TO FAIL TO DO SO WOULD BE THE REAL MISTAKE.

I WOULD LIKE TO TURN NOW TO SOME OF THE OTHER PROVISIONS OF THE NEW LEGISLATION AND EXPLAIN BRIEFLY HOW WE ARE PROCEEDING TO IMPLEMENT THEM.

THE REDESIGNATION OF THE PLANNING AND TECHNICAL STUDIES SECTION OF OUR ACT (FROM SECTION 9 TO SECTION 8) DID NOT SIGNIFICANTLY ALTER OUR PLANNING FUNCTION, BUT RATHER REITERATED AND CONFIRMED THE WAY IN WHICH WE HAVE PROGRESSED WITH THAT PROGRAM. ONE KEY

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SUBSECTION OF SECTION 8 DEALS WITH THE REDESIGNATION OF MPO'S. FHWA AND UMTA HAVE RECENTLY ISSUED A JOINT INFORMATIONAL LETTER TO BOTH OUR REGIONAL DIRECTORS REGARDING THIS REDESIGNATION.

OUR REVISED SECTION 10 PROGRAM "GRANTS FOR TRAINING PROGRAMS" IS PROGRESSING WELL. WE ARE PREPARING A CIRCULAR TO EXPLAIN THE CHANGES IN THE PROGRAM, ESPECIALLY THE INCREASED FLEXIBILITY OF USE NOW PROVIDED, AND WE WILL SOON BE ANNOUNCING AN ANNUAL SUBMISSION DATE (FOR THE FALL OF '79) FOR APPLICATIONS FOR THIS PROGRAM.

ALL THE SPECIAL AND/OR RECURRING STUDIES REQUIRED BY THE STA ACT ARE PROGRESSING WELL. FOR A FEW, WE WILL BE REQUESTING A REVISION OF SUBMISSION DATES. SEVENTEEN ONE-TIME STUDIES ARE REQUIRED BY THE STA ACT WHICH ARE OF INTEREST TO UMTA. FOR NINE OF THESE WE HAVE DIRECT RESPONSIBILITY. OUR INFORMATION SUBMISSION HAS THE MOST RECENT IMPLEMENTATION SCHEDULES FOR THESE STUDIES. I WILL BE GLAD TO DISCUSS THEM WITH YOU INDIVIDUALLY AS YOU DESIRE.

AS MR. BOWERS INDICATED TO YOU LAST WEEK, WE HAVE WORKED WITH THE OFFICE OF THE SECRETARY AND FHWA TO INITIATE THE SECTION 18 "FORMULA GRANT PROGRAM FOR AREAS OTHER THAN URBANIZED AREAS" BY RAPIDLY PUBLISHING AN EMERGENCY REGULATION ON DECEMBER 13 OF LAST YEAR. THE DAY-TO-DAY ADMINISTRATION OF THE PROGRAM IS BEING DONE BY THE FHWA DIVISION OFFICES. WE ARE WORKING WITH FHWA TO DEVELOP TRAINING PROGRAMS FOR BOTH STATE AND FHWA PERSONNEL WHO

WILL BE RESPONSIBLE FOR THE PROGRAM AT THE LOCAL LEVELS. AVAILABLE AUTHORIZATIONS UNDER THE SECTION 18 PROGRAM WILL PROVIDE FUNDING FOR INTERCITY BUS ASSISTANCE FOR FY 1980.

FINAL REGULATIONS, BUT WITH AN OPPORTUNITY FOR PUBLIC COMMENT, HAVE BEEN ISSUED TO CARRY OUT TITLE IV, THE "BUY AMERICA" REQUIREMENTS. THESE WERE ISSUED EXPEDITIOUSLY SO AS TO INCLUDE CURRENT RAIL CAR PROCUREMENTS.

I UNDERSTAND THAT MR. BOWERS TOUCHED BRIEFLY THE OTHER DAY ON OUR INTERNAL PROCESS IN ATTEMPTING TO EXPLAIN THE RATIONALE FOR SOME RESTRAINT IN HIS BUDGET. I WOULD LIKE TO DO THE SAME FOR A MOMENT. OUR INTERNAL ZERO-BASE-BUDGET PROCESS RANKS INCREMENTS OF FUNDING FOR ALL OF OUR VARIOUS ACTIVITIES FOR OUR ENTIRE AGENCY, FROM LESS THAN PRESENT LEVELS UP TO AND INCLUDING IMPROVED LEVELS OF FUNDING. AT VARIOUS POINTS WE DRAW A LINE ACROSS THE LIST OF PRIORITIES. THAT LINE REPRESENTS A FUNDING LEVEL FOR THE UPCOMING YEAR, THE CUMULATIVE TOTAL OF EVERYTHING ABOVE IT. NO DELIBERATE EFFORT IS MADE TO NEGATE ANY PORTION OF THE AUTHORIZED PROGRAM BY NOT SEEKING IMPLEMENTING FUNDING. CERTAIN ITEMS DID NOT FALL ABOVE THE LINE AND, THE LINE MUST BE DRAWN SOMEWHERE.

THE NEED TO DEAL WITH INFLATION HAS IMPOSED RIGID FISCAL CONSTRAINTS ON ALL FEDERAL PROGRAMS, AND ON OTHERS MORE SO THAN OURS. WE BELIEVE THAT OUR BUDGET LEVELS ARE SUFFICIENT AND REASONABLE GIVEN THE AUSTERE TOTAL BUDGET.

TECHNICAL AMENDMENTS

EARLY THIS YEAR THE SUBCOMMITTEE STAFF REQUESTED A LIST OF TECHNICAL AMENDMENTS TO THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1978. AT THAT TIME, INTEREST WAS EXPRESSED IN AMENDMENTS NECESSARY FOR PROPER IMPLEMENTATION OF THE ACT, AS WELL AS AMENDMENTS NEEDED TO CLARIFY CERTAIN SECTIONS OR TO MITIGATE THE UNINTENDED OR UNTOWARD EFFECTS OF OTHERS.

IN HIS LETTER OF MARCH 6, 1979, CHAIRMAN JOHNSON ALSO ASKED THAT WE DISCUSS THE NEED FOR AMENDMENTS. ACCORDINGLY, WE HAVE INCLUDED OUR ANALYSIS AND THE PROPOSED TECHNICAL AMENDMENTS IN THE MATERIAL WE HAVE SUBMITTED TO YOU. THIS MATERIAL CONTAINS SIX AMENDMENTS IN SECTIONS DELEGATED TO THE URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA).

LET ME EXPLAIN ONE BRIEFLY, AND TAKE QUESTIONS ON ANY OF THEM.

SUBSECTION (B) OF SECTION 308 REVISES THE DEFINITIONS OF THE UMTA ACT. THE DEFINITION OF "FIXED GUIDEWAY" APPEARS TO EXCLUDE LIGHT RAIL VEHICLES WHICH OPERATE IN MIXED TRAFFIC. THIS DEFINITION HAS DRAMATIC IMPACTS ON THE SECTION 5 FORMULA PROGRAM BECAUSE ONE-THIRD OF THE FUNDS APPROPRIATED UNDER SECTION 5(A)(3)(B) OF THE UMT ACT ARE APPORTIONED TO URBANIZED AREAS BASED ON THEIR SHARE OF FIXED GUIDEWAY ROUTE MILES; THE LITERAL LANGUAGE IN THE DEFINITION HAS THE EFFECT OF DENYING THIS PART OF THE APPORTIONMENT TO CITIES THAT OPERATE LIGHT RAIL VEHICLES IN STREET RIGHT-OF-WAYS. THIS AFFECTS PITTSBURGH, PHILADELPHIA, BOSTON, AND OTHER CITIES. WE BELIEVE THAT DISTRIBUTING FUNDS TO AREAS THAT HAVE ANY PERMANENT

BELIEVE THAT DISTRIBUTING FUNDS TO AREAS THAT HAVE ANY PERMANENT FORM OF TRANSIT RIGHT-OF-WAY IS BOTH AN INCENTIVE FOR AREAS TO CREATE SUCH RIGHTS-OF-WAY, AND IT ALSO FORCES RECOGNITION THAT PERMANENT TRANSIT RIGHTS-OF-WAY OFTEN INVOLVE SPECIAL MAINTENANCE COSTS.

WE PROPOSE AN AMENDMENT TO THE DEFINITION OF "FIXED GUIDEWAY" SO THAT ANY RAILS THAT ARE USED EXCLUSIVELY FOR PUBLIC TRANSPORTATION ARE ENCOMPASSED WITHIN THE DEFINITION. THIS WILL ENSURE THAT RAILS THAT ARE USED BY LIGHT RAIL VEHICLES BUT ARE LOCATED IN PUBLIC STREETS ARE INCLUDED IN THE DEFINITION AND IN THE APPORTIONMENT FORMULA IN SECTION 5(A)(3) OF THE URBAN MASS TRANSPORTATION ACT, AS AMENDED.

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THIS CONCLUDES MY FORMAL STATEMENT. I WILL BE GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE.