STATEMENT OF
DREW LEWIS
SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
OF THE
UNITED STATES SENATE

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Mr. Chairman and Members of the Committee:

I am pleased to appear before you to discuss Union Station in Washington, D.C. We share your demonstrated concern for the future of this classic structure on the doorstep of the Capitol. We applaud your continuing efforts to preserve this historic structure and to rehabilitate and redevelop it as a transportation and commercial center.

Both bills introduced on this subject, S. 548 and S. 1192, would transfer responsibility for Union Station to the Department of Transportation. I am pleased to announce that the Administration supports our assuming this role. The Administration's objective is private development of Union Station and the surrounding area. We look forward to working closely with this Committee toward realizing our mutual goals for Union Station.

As the Committee well appreciates, the most difficult issue facing the Department is involving the private sector in development of the Union Station complex and the determination of the Federal financing necessary to carry that out. As you know, our Department has made considerable progress in the past few months in curtailing Government spending as part of the President's overall economic program, and we intend to continue this effort. At the same time, we must recognize that a Union Station project, as worthwhile as it may be, may be very expensive.

There is no current, hard engineering survey on which to base a reliable estimate of the cost of rehabilitating Union Station, nor has there been sufficient discussion at this time to ascertain the extent to which private funds may be attracted to this project. Until an engineering survey and other preliminary design efforts have been completed, I cannot be certain enough of the real cost of this project to propose a definite budget to this Committee that I think the Department can meet. Above all we want to avoid unpleasant and costly surprises.

Furthermore, although much discussion in recent months has focused on ways to involve the private sector in

contributing investment dollars to the redevelopment of Union Station, we do not yet know what developers would be interested in using the building for, and we do not know the extent of funding available for the project. An engineering survey combined with a marketing and commercial effort would make clear how much work is needed and what private involvement can be anticipated. I want to emphasize that we are not talking about further academic studies to identify the problem. We know the problem. The analyses we are talking about will be results-oriented.

Given the potential magnitude of investment in this project, I submit that this is not the time to set a particular funding level into law that may raise unwarranted expectations in Congress and the public. The proposal to set such a level is our primary objection to the bills now before the Committee.

I must particularly take exception to the provisions of S.1192 to fund a Union Station project by making mandatory set-asides from funding for existing DOT programs. One such set-aside would be from the Northeast Corridor Improvement Project (NECIP). The Administration has

proposed a reduced NECIP budget of $2.19 billion. The proposed NECIP constitutes an integrated program for rail transportation in the Northeast and cannot absorb the costs of developing Union Station.

S.1192 also would make the completion of the Union Station parking facility and ramps an Interstate Highway Fringe Parking project eligible for 100 percent Federal funding. Although Federal-Aid Highway funds are apportioned to the District of Columbia for allocation to its various Interstate projects, this Committee should recognize that this provision of the bill would increase the aggregate Interstate Cost Estimate at a time when we are trying to reduce that amount, and would direct Interstate Highway System funds into a project which is, at best, of tangential benefit to the Interstate System.

For these reasons we support the approach of S.548 to treat Union Station as a project worthy of a separate, independent funding authorization.

The Department supports the commitment of the Department of the Interior to complete repair of the roof with its own funds. Because of the more active role DOT is

prepared to take, we would support a transfer of the Government's leasehold interest in Union Station from the Department of the Interior to the Department of Transportation, with the associated funding. We would also support such legislation as may be necessary to permit the Government to buy and sell the complex. Such authority may be required as part of an overall effort to assure private sector participation.

We propose that "such sums as may be necessary" be authorized to DOT for Union Station. Subject to the appropriation of funds, DOT would begin immediately to carry out the necessary comprehensive engineering surveys of the premises, to negotiate with private developers for sale of the building, and to proceed with preliminary design and preparation of final plans, specifications, and solid cost estimates for the rehabilitation needed in the historic building, the parking facility and ramps, and the tracks and platforms. Design would be oriented toward private development of Union Station. At the same time, the Department would undertake a market feasibility study to enable us to determine what private participation in this project may be anticipated. Also during FY '82, we would cooperate fully with the Department of the Interior

as it completes the roof repair work it began last winter, and as we carry out the orderly process of transferring the property from Interior to DOT.

My staff is ready to begin work with this Committee to fashion our proposal into legislative language acceptable both to this Committee and to the Administration. I am hopeful that, together, we can set the stage for a realistic project to revitalize Union Station as a transportation and commercial center for the Nation's Capitol.

I would be happy to answer any questions you may have.