

Final

STATEMENT OF
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PROJECT MANAGEMENT
URBAN MASS TRANSPORTATION ADMINISTRATION
BEFORE
THE WATER RESOURCES, TRANSPORTATION
AND INFRASTRUCTURE SUBCOMMITTEE OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
FORT LAUDERDALE, FLORIDA
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Mr. Chairman, my name is Gene E. Carroll. I am the Director, Office of Project Management, at the Urban Mass Transportation Administration's Region 4 Office based in Atlanta. We are pleased to have this opportunity to appear before you to discuss UMTA, its programs, the National Transportation Policy, and the coming reauthorization of the Federal highway and transit programs.

UMTA's Major Grant Programs

Let me begin by providing you with a brief overview of the key funding programs administered by UMTA. Since its beginning in 1964, UMTA has provided some \$52 billion in funding to public transit systems throughout the nation. Each year, UMTA provides funds to about 450 urban mass transit systems using UMTA's formula and discretionary grant programs.

Formula Grant Program

Under the UMT Act, Section 9 formula funds are apportioned to urbanized areas using a statutory formula based on population density and other factors associated with transit service and ridership. Grants under this formula program provide financial assistance for capital, operating and planning projects. The Federal share for capital projects is eighty percent, and fifty percent for operating projects. By way of example, some \$1.6 billion was appropriated from the General Fund for this program in FY 1990.

Discretionary Program

UMTA's Section 3 program is one of the largest discretionary grant programs in the Federal Government. In FY 1990, Congress provided UMTA with \$1.3 billion in budgetary appropriations for discretionary grants. Funds for the Section 3 program come entirely from the Federal motor fuel tax. The Federal share for these capital projects is seventy-five percent.

The purpose of the Section 3 program is to assist in the funding of high priority projects or extraordinary projects, for which the costs exceed the level of available Section 9 formula funds as well as local resources.

The Section 3 program has four categories:

- Bus - The acquisition of buses and ancillary equipment and the construction of bus facilities.

- Rail Modernization - Limited to the traditional "old rail cities" (Boston, New York, Philadelphia, N.E. New Jersey, Pittsburgh, Cleveland, San Francisco and Chicago).
- New Starts - Funding for new fixed guideway projects. Proposed projects are subjected to a rigorous planning process (alternatives analysis).
- Secretary's Discretion - Funding that can be allocated to any of the above categories.

Rural Program

UMTA also has the section 18 rural program which provides funds to the States for use in nonurbanized areas. These funds are made available under a statutory formula based upon population factors. Grants under this program provide financial assistance for capital, operating and planning projects. The Federal share parallels that of the section 9 program: eighty percent for capital projects and fifty percent for operating assistance projects. Approximately \$65 million is made available annually for this program.

In addition, since 1987 \$5 million has been made available each year under the Rural Transit Assistance Program, which provides training and technical assistance to rural operators.

The National Transportation Policy

As you know, President Bush and Secretary Skinner recently announced the National Transportation Policy.

That Policy encompasses six themes. The Department is committed to:

- Maintain and expand the Nation's transportation system
- Foster a sound financial base for transportation
- Keep the transportation industry strong and competitive
- Ensure that the transportation system supports public safety and national security
- Protect the environment and the quality of life
- Advance U.S. transportation technology and expertise

What does the Policy mean for UMTA? Local public transportation - including bus and rail transit as well as carpools, vanpools, and other ride-sharing - has a vital role in American communities. If it is coordinated more effectively with other forms of transportation and other local policies, public transportation can play an even greater part in assuring mobility for residents of our cities and towns, making the best

use of transportation facilities, and increasing the capacity of the overall transportation system. The Statement of National Transportation Policy calls for bringing principles of market competition to bear in public transportation, continuing to take advantage of private sector financing and operation of local mass transportation, increasing the flexibility and incentive for local officials to make cost-effective transportation choices, and adjusting Federal procedures and standards to be more sensitive to the scale and nature of communities and the services they need. The policy will also be reflected in continued research and sharing of data and information on sound planning and operating practices in urban mass transportation.

The statement sets out principles for legislation to reauthorize the Urban Mass Transportation program for 1992. Under the new policy, the program would emphasize effective movement of people, rather than simply vehicles or specific modes of transportation; greater flexibility in use of transportation trust funds for highways and transit; higher State and local shares of the costs of federally assisted transit projects; and reduced operating assistance for mass transit.

Let me address some of these issues briefly in a general way, recognizing that we have not completed our specific legislative proposals.

Effective Movement of People

The key question regarding mass transportation is not what mode, but what best serves the mobility needs of the affected citizens. We are finding, for example, that more and more Americans are commuting not from suburb to downtown but from suburb to suburb. Transportation policies should be designed to address this emerging commuting pattern. Planning obviously is an important element in this regard, and UMTA policies require that metropolitan planning organizations have a voice in the allocation of Federal funding. This is also something we will be looking to encourage in our reauthorization proposal.

Flexible Use of Trust Funds

We at the Federal level also have to carefully review our programs to see if there are ways to increase flexibility and decisionmaking at the local level. One obvious area for serious consideration is the interaction of the Federal transit and highway programs. We are looking at ways that that would make some of the funding under the different programs eligible for either transit or highway projects. Many of those who participated in hearings on the national transportation policy encouraged us to carefully consider this type of approach, arguing that this flexibility would lead to better decisionmaking at the local level - based not on the source of funds but on the particular needs of any given area.

State and Local Role

We would also like to see a larger State and local role in the funding of transit projects. As Secretary Skinner has noted, the more local financing that is involved in a project the greater likelihood that local officials will monitor projects better. It is easier to turn to the Federal Government for funding overruns than it is to have to explain cost increases to local voters. Thus, we are considering proposals that would increase the local share contribution on certain projects funded by UMTA. We also think it is important to establish predictable and stable funding sources at the Federal level so that localities can develop plans on the basis of an assured level of funding. In this connection, it may be wise to emphasize formula distribution of funding.

In conclusion, Mr. Chairman, these are just some of the issues UMTA is considering as part of the legislative proposal we will be submitting to Congress. We are looking at them in the context of the National Transportation Policy, and we hope to present a strong framework for transit in the 1990s.

Mr. Chairman, that concludes my remarks and I would be pleased to answer any questions you may have.