

**STATEMENT OF  
GORDON J. LINTON  
ADMINISTRATOR**

**FEDERAL TRANSIT ADMINISTRATION  
UNITED STATES DEPARTMENT OF TRANSPORTATION**

**BEFORE THE  
SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS  
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS  
THE UNITED STATES SENATE  
MARCH 23, 1994**

**Mr. Chairman, members of the Committee, I am Gordon J. Linton, Administrator of the Federal Transit Administration (FTA). Thank you for this opportunity to appear before you today to discuss the President's fiscal year 1995 budget proposal as it relates to transit.**

**Introduction**

**At the outset, Mr. Chairman, let me note that we are seeing increasing recognition of the key role the Federal transit program plays in transportation policy, and we believe much of this derives from the landmark 1991 Intermodal Surface Transportation Efficiency Act (ISTEA) that we are now proudly implementing. We appreciate the major role this Committee played in drafting the transit portions of the ISTEA, and we look forward to working with you as we continue to implement its provisions.**

The fiscal year 1995 budget proposal is the third budget submitted to Congress since enactment of the ISTEA , and we are pleased to report that it represents the largest transit budget ever proposed to Congress, \$4.8 billion. Under the President's budget request, each transit system in the country will receive more Federal money than it did last year. We have fulfilled our promise to fully fund our formula grants program at the ISTEA authorized levels, and are requesting an increase of nineteen percent in Federal formula funds over last year for a total of \$2.9 billion. These funds are used by communities largely to maintain or expand existing bus and rail systems, and to help comply with the Clean Air Act, the Americans with Disabilities Act, and other statutory requirements.

In your letter requesting us to testify at this hearing, Mr. Chairman, you asked us to address four facets of the Federal transit program: operating assistance, new starts, transit's role in community development, and our proposals to enhance transit's role in our communities. I will address each of those issues in turn.

#### **Operating Assistance**

While we are requesting the largest budget in the history of the transit program, much attention is focused on the proposed \$202 million reduction in

operating assistance, from \$802 million to \$600 million. In trying to meet the spending targets for FY 1995, we had to make some very tough choices. In short, we are proposing to put more of the Federal dollars into capital investment because we think it is a more strategic investment.

At present, the average age of the American transit bus fleet is 8.2 years when it should be no more than six years. Similarly, the average age of our rail rolling stock is 17 years when it should be 12. While the average ages of both fleets has risen in the past few years, clearly, additional capital investment in transit is still needed. Newer vehicles are more efficient in several ways. They reduce maintenance costs, consume less fuel and present a more attractive transportation alternative, thereby attracting riders.

I know that it will not be easy for our transit authorities to adjust to a reduction in Federal operating assistance, but the current economic climate presents a real opportunity to do so with less disruption. Interest rates are down, allowing transit authorities to refinance their debt at significant savings, inflation is down, and fuel prices are relatively low. With the economy growing, transit revenues should increase.

### New Starts

Our first priority is to fully fund the Formula Grants programs. Not only does every area of the country receive a pro rata share of such programs, but formula funds may be used for a great variety of activities, and grantees are free to decide how to use those funds - for bus, rail, or other capital facilities.

Consistent with our policy to emphasize rehabilitation, we propose funding the Fixed Guideway Modernization and Bus categories at about the FY 1994 levels. The \$400 million remaining for New Starts, while a reduction from FY 1994, will allow us to meet all five of our current commitments under Full Funding Grant Agreements (FFGAs). We will continue to work with other transit authorities that have projects in the pipeline to move them toward FFGAs.

### Flexible Funding

There are other capital resources available as well, Mr. Chairman. From the perspective of the transit program, undoubtedly the most significant and innovative change mandated by the ISTEA is what we call the "flexible funding" provisions - the portions of the Federal highway and transit programs that have been freed up to allow decisionmakers at the State or local level to decide for themselves whether to allocate the funds to highway or transit projects. This flexibility at the local level has really begun to change profoundly the way in which transportation decisions are being made across the country. As State and local officials attempt to balance the competing needs and demands of clean air, congestion mitigation, the Americans with Disabilities Act, and the comprehensive Energy Policy Act of 1992, the flexible funding provisions provide resources to stimulate transportation solutions, not just highway or transit projects.

Specifically, Congress in ISTEA provides a potential \$70 billion in flexible funding over six years for transit or highway projects. In fiscal year 1992

approximately \$300 million was transferred for transit use, in fiscal year 1993 some \$470 million has been transferred, and approximately \$200 million has been transferred this year. In total, this represents close to \$1 billion to date in additional capital funding for the transit program.

### Transit and Community Needs

Mr. Chairman, you also asked about the importance of transit to communities and how the Administration intends to address those needs. These questions are considered in detail in our report submitted to Congress last year on "The Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance." We will be submitting this year's report in June.

This report emphasizes that increases in highway capacity cannot keep pace with the increase in travel demand, especially in the urban areas. In fact, FHWA reports that 83,000 lane-miles of urban highway capacity cannot be built over the next 20 years because of various constraints on new highway construction. Well chosen mass transportation investments can play a major role in meeting a portion of the estimated 627 billion passenger miles in annual unmet travel demand. The increased capital investment in mass transit reflected in this budget lays the foundation for meeting this challenge.

FTA strives to harmonize transportation investment and environmental concerns. The percentage of urban interstate travel that is congested during the daily peak hour increased from 55.4 percent in 1983 to 70.2 percent in 1991.

**Congestion in the nation's 50 largest urban areas now costs more than \$39 billion annually in lost productivity and fuel costs.**

**Over the next twenty years, we must improve public transportation if we are to meet the travel needs of all Americans, particularly those residing and working in congested areas. Research on travel needs shows that we cannot meet these needs solely by building roads. In congested travel corridors, we must make transit a more effective alternative to driving a car. This means increased capital investment.**

**By increasing the amount of Federal capital assistance, transit agencies will be able to modernize their equipment, provide more dependable transit service by replacing older vehicles more quickly, and operate more efficiently by making more timely repairs to older facilities and equipment.**

**Not only is an increase in capital assistance needed for cities, it is also critical for the environment. Modern buses are manufactured to meet the newer, stricter, clean air standards, another top priority with the President, the Congress, and the nation.**

**And increased capital assistance is necessary for the transit rider. For transit agencies to provide service to persons with disabilities, a transit agency needs accessible buses, stations, and rail cars, which means capital expenditures. Moreover, new stations, buses, and rail cars are likely to attract new riders.**

**Livable Communities**

**Mr. Chairman, you also asked what specific proposals we could suggest to ensure that transit is an integral part of community and economic development. The recent earthquake in Los Angeles dramatically illustrated to me and the Secretary, and I am sure to you as well, how critical a role transit can play. Overnight, ridership on the Metrolink commuter rail increased from 13,000 per day to 33,000 per day. This vividly demonstrates the importance of transit, and highlights the inherent shortcomings of a region relying extensively on a single mode of transportation.**

**Our budget request for FY 1995 proposes a new Livable Communities Initiative to be funded within the Section 3 Discretionary Grants Program. For those who lack access to an automobile, are unable to drive, or simply do not want to drive, options become more limited every day. Americans are now making more auto trips per day than ever before and the trips we are making are increasingly longer. In part, this phenomenon is due to the way we design our cities and suburbs. Regional shopping malls are surrounded and isolated by acres of paved parking, typically do not have transit service, and lack sidewalks to adjacent housing and to roadways where transit might be available. Further, other shopping, health care facilities, and social services tend to locate along highway arterials that likewise lack access for modes other than autos. Such design, oriented only around the automobile, whether conscious or not, discourages access by bicyclists, pedestrians, and transit users.**

However, design concepts exist that can accommodate several transportation alternatives. Communities that are designed with a mix of employment, housing and retail nearby as well as within walking distance of transit stops can increase the number of trips made by mass transit, bicycles, and walking, thereby decreasing single occupant auto trips. Such modal shifts can decrease congestion, reduce air and noise pollution, and improve the general mobility of our population. Locating housing near transit can decrease the need for second or third vehicles. We plan to use \$30 million as supplemental funding for transit projects that fully involve the neighborhood, provide access to services such as daycare facilities and convenience stores at the transit facility, and encourage mixed use neighborhoods that include residential, commercial and office space. In short, the Livable Communities Initiative is designed to encourage land use, urban design and planning that embraces transit use.

### Conclusion

Mr. Chairman, let me conclude by emphasizing that the Clinton Administration is a strong supporter of mass transit as a vital component of our nation's infrastructure, as the President's budget amply demonstrates. Budget constraints forced us to make some tough decisions on operating assistance, but this is a difficult time for our nation and all of us have been asked to make sacrifices - short-term sacrifices that in the long term will make us a stronger nation. Sacrifices that will help to reduce the deficit choking our nation and our ability to respond to the needs of our customers - the American citizen.

**We have asked transit agencies to join us in the effort by making a small sacrifice in operating assistance and restructuring their budgets to accommodate a large investment in capital assistance. We are asking them to do this at a time when fuel costs have dropped, inflation is low, the cost of debt service is down, and the economy is picking up. Agencies can best restructure their budgets now by offsetting operating assistance with the major capital increase we have proposed, permitting America to rebuild its transportation infrastructure for the next century and making transit an attractive alternative to our congested highways.**

**Thank you, Mr. Chairman, that concludes my presentation. I stand ready to work with you and members of the Committee as partners in this process, and I will be happy to answer any questions you may have.**