



DEPARTMENT OF TRANSPORTATION
 UNITED STATES TRANSPORTATION ADMINISTRATION
 WASHINGTON, D.C. 20590

THE ADMINISTRATOR

February 6, 1980

100-10

MEMORANDUM

FROM: UMTA Administrator, UOA-1 *Ed City*

TO: The Secretary, S-1

Following our discussions on my recent memoranda to you on this subject, I have reached the following conclusions regarding the proper conduct of the Downtown People Mover effort:

Policy

1. The goals of the DPM program are still valid. The DPM program, however, must proceed from a recognition that Section 3 resources are insufficient to provide for an eleven city demonstration/deployment effort during the next decade, but that the Department should move forward to demonstrate this concept in several locations as quickly as possible.

2. The demonstration of at least three different DPM technologies to assure a viable and competitive set of DPM suppliers for future possible DPM deployments should occur.

Tier 1 Program

3. A demonstration program level of between \$220 to \$240 million is reasonable to assure the completion of Tier 1 projects.

4. Los Angeles and St. Paul should be targeted for funding under the Tier 1 program.

The Los Angeles project will be based on a \$118 million UMTA project level and necessary commitments by the FHWA to assure construction of the Union Station Intercept from the FAI program.

St. Paul will be required to demonstrate its capability to proceed and certainty that it will proceed not later than April 1, 1980. Without these assurances, St. Paul will be dropped from the program.

5. Demonstration funding will be ended with the Tier 1 cities. No Tier 2 cities will be funded beyond preliminary engineering with demonstration funds.

Tier 1A Program

6. Miami and Detroit should be funded from the Section 3 new start category.

Miami's simple loop project is the basis for our support. Miami will be offered an additional \$31.8 million over their currently approved \$19.2 million project commitment to reach a total Federal commitment of approximately \$50 million. The inducement rate of 11-2/3% offered by Miami for the full DPM system must be accepted. This \$50 million (total) will be over and above funding committed to the rapid rail new start project. But it must be clear to Miami that this commitment can be carried out only with the funding to be made available by the enactment of the TEA.

Detroit will be allowed to proceed as originally approved; funding will come from the \$600 million overall commitment, unless St. Paul drops out of the program. If St. Paul drops out, Detroit will be designated as its Tier 1 replacement within the funding level allocated for the Tier 1 program. UMTA staff and grantee efforts to review the Detroit project costs should be completed to develop a firm project cost estimate within 60 days. If St. Paul does not drop out then Detroit's funding needs for its overall program may at some future time require us to consider amending the commitment once a decision on the merits of the LRV proposal is possible.

Tier 2 Program

7. All valid engineering requests for Tier 2 cities will be granted during Fiscal Year 1980 in accordance with Congressional direction. However, it must be understood by all recipients that a commitment of engineering funds is not a commitment to build a DPM.

The cities will progress beyond engineering only when engineering is completed and the Tier 1 cities have progressed sufficiently to permit evaluation of the DPM concept.

9 Tier 2 cities will be considered for funding from Section 3 new start category funds upon conclusion of the evaluation and their preliminary engineering efforts. (NOTE: The Tier 2 cities are to an extent prioritizing their own capital request--e.g., competing against themselves).

10. Tier 2 cities will not be required to conduct further alternative analyses.

I will immediately, upon your concurrence, proceed to make any revisions necessary to accommodate changes described in this memorandum as soon as possible.

Concur *Alan Hoenig* Non-concur _____
 The Secretary, S-1 The Secretary, S-1
 Date Feb. 14, 1990

DOT LIBRARY



00399277