

# **FY 1979 Year End Summary of UMTA'S Transit Assistance Program**

Prepared by: Office of Transit Assistance  
Washington, D.C.



U.S. Department of Transportation

**Urban Mass Transportation  
Administration**



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## INTRODUCTION

World War II and the early 1970's mark high and low points of American public transit ridership in modern times. The war years brought transit ridership to a peak in 1946. Home front shortages, gas rationing, high employment, manufacturing of tanks and military vehicles instead of private automobiles and auto parts, and the loss of overseas raw materials for tire manufacturing forced Americans to rely heavily on public transportation.

In the late forties and fifties when consumer goods replaced military material, the private automobile quickly became the standard transportation mode. Rapid suburbanization and an ambitious road-building program discouraged travel by transit. Cheap gasoline prices permitted motorists to travel freely over modern roads and super highways, but urban areas suffered serious traffic congestion and the health hazards created by auto pollution. Public transit, at this time, was reducing service, neglecting maintenance, and experiencing a general deterioration. Those who had no other transportation, the elderly, the poor, handicapped persons and youngsters, particularly suffered from limited mobility.

These problems at the local level became a national concern in the early 1960's. Congress passed the Urban Mass Transportation Act of 1964 that provides federal assistance to the nation's public transit industry. In 1968, The Urban Mass Transportation Administration (UMTA) was established within the U.S. Department of Transportation. Since the energy crisis of the early 1970's and the end to cheap gasoline, which rose in price to over one dollar per gallon in 1979, public transit ridership has been increasing across the country. Ridership in 1979 reached a 30 year high, over eight billion passenger trips.

Although various UMTA programs support transit through research, technological development, demonstrations, and planning assistance, the major federal commitments to mass transit are the capital and operating assistance programs administered by UMTA's Office of Transit Assistance. UMTA capital assistance helps fund the purchase of vehicles and support equipment, as well as the construction and improvement of urban rail transit systems, transit malls, bus garages and maintenance facilities, and a host of other items. UMTA operating assistance helps meet the costs of day-to-day operations. Through FY 79, UMTA had provided over \$15 billion in capital and operating assistance to states and local public bodies. In FY 79 alone, UMTA granted \$3 billion for capital and operating projects undertaken by transit agencies throughout the nation.

These grants were made under the following UMTA programs:

- Section 3 is a program of discretionary capital and planning assistance grants to transit agencies and public bodies throughout the nation. Grants for the President's Urban Initiatives program and for special transportation services for the elderly and handicapped under Section 16(b)(2) also are included in this appropriation.

- Section 5 is a program of formula grants to transit agencies for both operating and capital assistance. Allocation formulae distribute grants for various purposes on the basis of population, population density, commuter rail train and route miles, and fixed guideway route miles.
- The Interstate Transfer program allows local jurisdictions, with proper approval, to substitute transit or highway related capital and planning assistance projects for non-essential segments of the Interstate Highway System.
- The Federal-Aid Urban System (FAUS) program permits the funding of transit projects with urban system Highway Trust funds.
- Section 17 is a program providing financial assistance to defray additional costs incurred by transit agencies as a result of the Conrail reorganization. While appropriations for Section 17 ended in FY 1978, some agencies received Section 17 funds in FY 1979, and some funds remain available.
- Section 18, administered jointly by UMTA and the Federal Highway Administration, provides formula grants to states for capital and operating assistance for public transportation projects in small urban and rural areas. FY 1979 was the first year for grants under Section 18.

This pamphlet provides a brief summary of the FY 1979 transit assistance program.



## OVERVIEW OF THE UMTA TRANSIT ASSISTANCE PROGRAM IN FY 1979

A total of \$2.969 billion in capital and operating assistance funds was granted for 886 projects in FY 1979. These grants have helped fund:

- Engineering and construction on new rail systems, including
  - \* Heavy rail rapid transit systems in Miami, Baltimore and Atlanta; and
  - \* A light rail rapid transit system in Buffalo.
- Engineering for Downtown People Movers in Los Angeles and St. Paul.
- Extensions of rail systems in New York, Chicago, Philadelphia, Boston and Washington, D.C., and construction on Pittsburgh's East Busway.
- Major rail modernization projects in New York, Northern New Jersey, Chicago, Philadelphia, Boston, San Francisco, Pittsburgh, and Cleveland.
- Major Urban Initiatives projects, including modernization of stations; construction of stations, terminals and transit malls; and joint development projects.
- The purchase of 417 rail cars and 19 locomotives.
- The purchase of 2,939 buses.
- Construction of 40 bus maintenance and storage facilities and rehabilitation of 5 others.
- The public purchase of 5 bus lines in 3 cities from private operators.
- \$870 million in operating assistance to transit agencies throughout the nation.

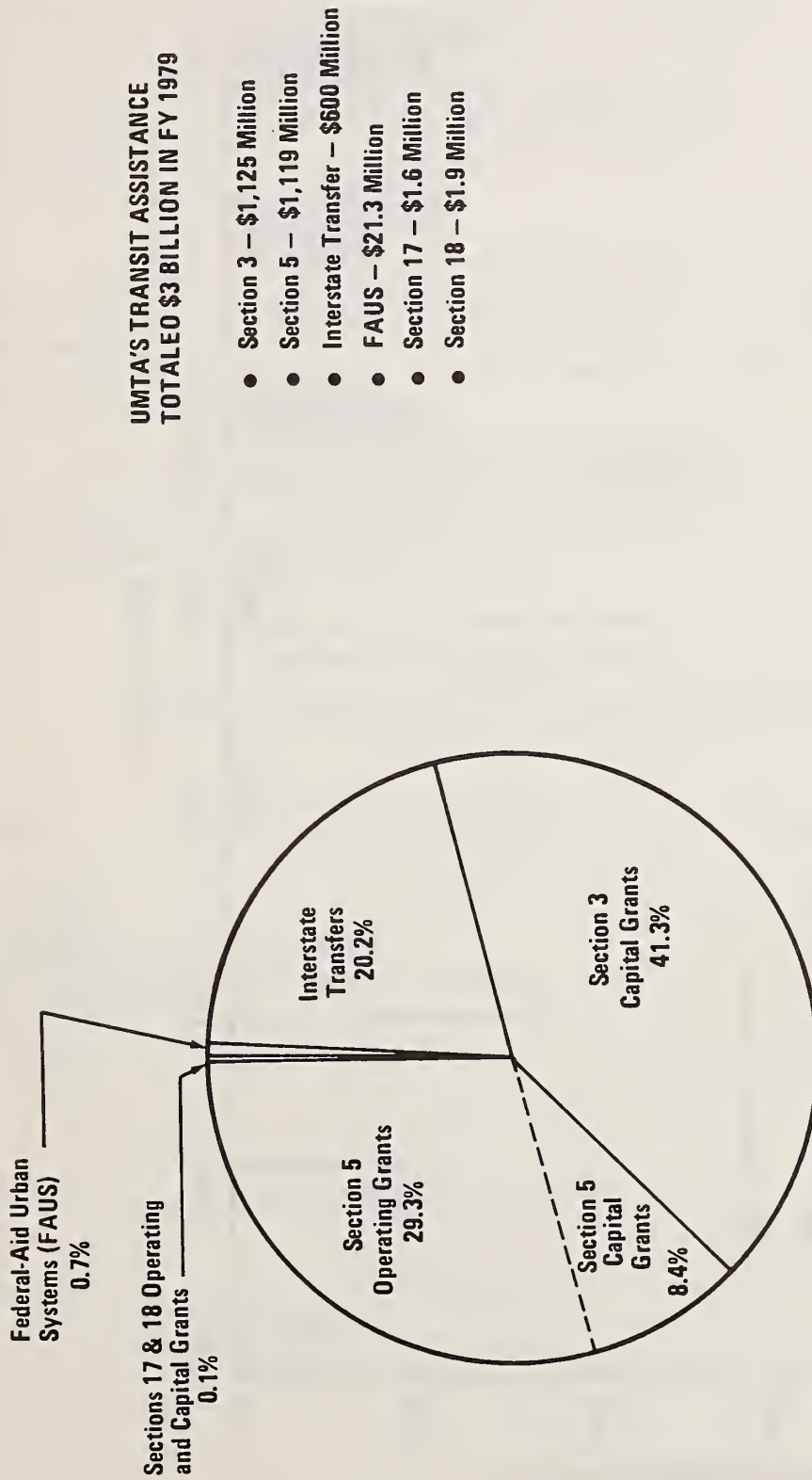
TABLE 1  
SUMMARY OF FY 1979  
TRANSIT ASSISTANCE GRANTS BY PROGRAM  
(dollars in millions)

PROGRAM	ASSISTANCE		
	Operating	Capital	TOTAL
I. Section 3 <sup>1/</sup>			
New starts/DPM	-	270	270
Rail modernization	-	535	535
Rail extension	-	160	160
Bus/bus related	-	210	210
Urban Initiatives	-	50	50
Subtotal		<u>1,225</u>	<u>1,225</u>
II. Section 5 <sup>1/</sup>			
Tier I	786.2	63.7	849.9
Tier II	73.9	7.8	81.7
Tier III	8.4	-	8.4
Tier IV	-	179.2	179.2
Subtotal	<u>868.5</u>	<u>250.7</u>	<u>1,119.2</u>
III. Interstate, Transit <sup>2/</sup>	-	600.0	600.0
IV. FAUS, Transit	-	21.3	21.3
V. Section 17	1.6	-	1.6
VI. Section 18 <sup>3/</sup>	1.2	.7	1.9
TOTAL	<u>871.3</u>	<u>2,097.7</u>	<u>2,969.0</u>

<sup>1/</sup> These figures exclude funds for planning purposes in FY 79.

<sup>2/</sup> Does not include \$100 million of Interstate Transfer highway projects.

<sup>3/</sup> An additional \$6.0 million was granted to states to cover administrative costs of implementing the Section 18 program.



- Section 3 – \$1,125 Million
- Section 5 – \$1,119 Million
- Interstate Transfer – \$600 Million
- FAUS – \$21.3 Million
- Section 17 – \$1.6 Million
- Section 18 – \$1.9 Million

FIGURE 1. UMTA TRANSIT ASSISTANCE PROGRAM PERSPECTIVE, FY 1979

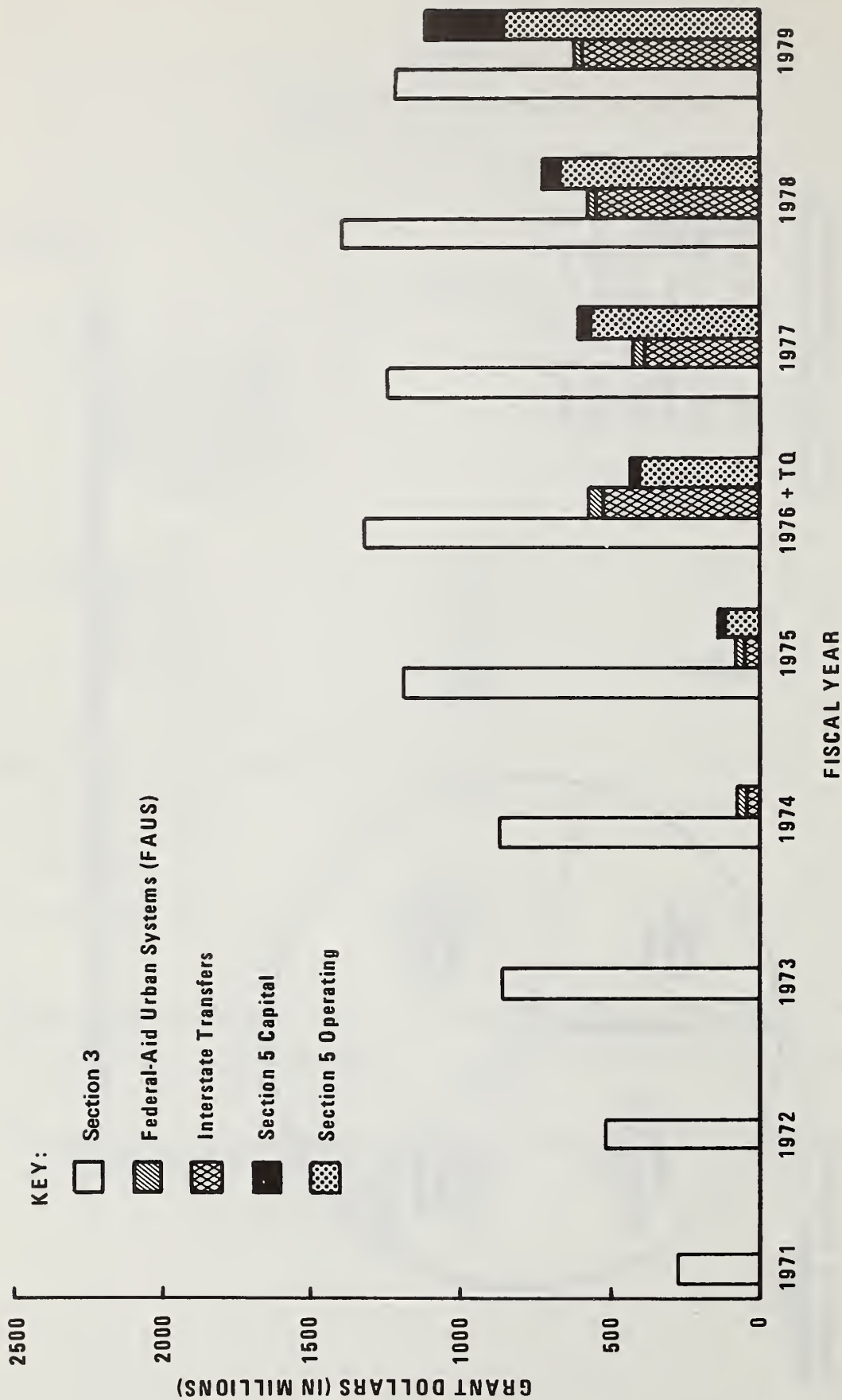


FIGURE 2. ANNUAL TRANSIT ASSISTANCE PROGRAM LEVELS FOR FISCAL YEARS 1971-1979

SECTION 3 CAPITAL PROGRAM SUMMARY

Section 3 of the 1964 Urban Mass Transportation Act established a discretionary grant program that has delivered, through FY 1979, \$9.6 billion in capital assistance to states and local public agencies. This assistance has supported a variety of capital projects, including the construction and improvement of mass transit facilities and equipment, the implementation of new bus and rail transit systems, the coordination of transit with other modes of transportation, and the public purchase of failing private transit operators. Since 1964, over 60% of all federal transit assistance has been funded under the Section 3 program.

Again, in FY 1979, the Section 3 program comprised the largest portion of UMTA funding. A total of \$1.225 billion was obligated for various capital projects distributed among four program elements (See Table 2). Approximately 79% of these funds went to various rail projects, either new starts or modernizations and extensions. These projects included commuter, rapid and light rail systems and Downtown People Movers (DPM).

Of all metropolitan areas, greater New York (including parts of Connecticut and New Jersey) received the most Section 3 funds for the year: \$318 million or 26% of the total. Other metropolitan areas receiving over \$100 million in Section 3 funds were Miami, Baltimore and Chicago.

TABLE 2  
FY 1979 Spending for UMTA Section 3 Capital Programs  
(dollars in millions)

Program	Obligation
Rail	
New starts	270
Modernizations and extensions	695
Bus [including 16(b)(2)]	210
Urban Initiatives	<u>50</u>
 TOTAL	 1,225

New Start Projects/Downtown People Movers (DPM's)

New start projects are designed to implement fixed guideway systems in cities currently without them, or to extend such systems initially constructed with UMTA funds. Included in these new start projects are projects for Downtown People Movers (DPM's), which are fully automated fixed guideway systems. Through FY 1979, UMTA has funded \$1.982 billion in new start projects, including projects in: San Francisco (\$302 million), Atlanta (\$825 million), Miami (\$225 million), Baltimore (\$535 million), and Buffalo (\$92 million). In addition, smaller amounts have been approved for preliminary engineering, design, and impact analysis for systems in Detroit, Honolulu, Los Angeles, and St. Paul.

In FY 1979, Section 3 funds amounting to \$270 million were approved for the following six cities:

MIAMI - In FY 1979, projects totalling \$139 million funded further land acquisition and construction for the rapid transit system being built in Miami. Added to a FY 79 grant of \$26 million for the purchase of 136 rail cars, and \$60 million previously funded, a total of \$224.2 million has now been granted for construction of this 20.5 mile, largely aerial transit system.

BALTIMORE - During FY 1979, \$50 million of new start funding was granted for construction on Baltimore's new rapid rail transit system. This brings the total funding for "Section A" of the system, an eight-mile segment with nine stations and extending from the CBD to the city line, to \$525.9 million. An additional \$8.8 million was granted for engineering on the six-mile Northwest Extension of the system to Owings Mills. Also, \$12.8 million of new start funding and \$27.1 million of other Section 3 funds went for the purchase of rail cars, and a \$10 million Urban Initiatives grant associated with this rapid rail project was issued.

BUFFALO - New start projects totaling \$34 million in Section 3 grants in FY 1979 bring total federal funding for Buffalo's Main Street light rail rapid transit project to \$92 million. That project, a 6.5 mile system to be operated by the Niagara Frontier Transportation Authority, is seen as a catalyst for central city redevelopment in Buffalo.

ATLANTA - \$25 million was granted to Atlanta to begin Phase B of the MARTA rail rapid transit system. That money will support architectural and engineering work for the North-South (North Avenue to Arts Center, Garnett to West End) Line. While no total funding commitment has been made by UMTA for Phase B, MARTA has been authorized to incur at least \$130 million in expenses under Letters of No Prejudice, and a portion of Atlanta's sales tax revenue has been set aside for Phase A of Atlanta's system. The first part of Phase A, a 13.7 mile, 17 station system, opened for revenue service on June 30, 1979. The second segment opened on December 22, 1979.

LOS ANGELES - The downtown Los Angeles Community Redevelopment Agency was granted \$316,000 in FY 1979, in addition to \$1.1 million in FY 1978, toward its Downtown People Mover. Those funds supported engineering and design and an Environmental Impact Statement for the proposed DPM system.

ST. PAUL - \$100,000 has been granted to St. Paul for an engineering study for its Downtown People Mover System in FY 79, in addition to approximately \$1 million approved in September, 1977.

### Rail Modernization and Extension

UMTA funds are also available for the modernization and extension of older fixed-guideway systems, whose original implementation pre-dated the availability of UMTA assistance, primarily in eight areas: New York, Northern New Jersey, Chicago, Philadelphia, Boston, Cleveland, Pittsburgh, and San Francisco. In addition, commuter rail service in Detroit and Baltimore, the New Orleans light rail and the Seattle Monorail are occasional recipients of funding. These systems represent a major fixed investment and account for approximately 30% of total transit ridership nationwide. Since many of these systems are quite old and had been deteriorating, UMTA assistance has been used largely to stabilize them. UMTA has provided more than \$2.9 billion for modernization activities such as track bed and rail replacement, station modernization, improved power distribution, modernized signaling and control systems, better surveillance systems, and shop and yard improvements. UMTA has provided an additional \$1.4 billion for extension of these proven, viable systems into additional high density residential corridors and activity centers.

In FY 1979, UMTA approved \$642 million in Section 3 funds for the following rail modernization and extension projects:

NEW YORK - The New York urbanized area, including Connecticut, has historically received the largest portion of UMTA rail grants because it carries four out of every five rail transit users in the country. New York led all recipients again in FY 1979, with \$211 million in rail modernization and extension grants.

Rail modernization projects, some of which are parts of on-going, multi-year programs, include architectural and engineering work to modernize stations at Herald-Greeley Square and at 42nd Street and 8th Ave., construction and equipment of a power control center and a power substation, and a noise abatement program.

Two rail extension projects were funded. The Archer Avenue subway project in Queens received \$35.9 million, bringing project expenditures to date to \$215.5 million of an estimated \$350 million total project cost. A \$4.4 million grant covered additional design and property acquisition costs incurred in extension of the 63rd Street line. UMTA has obligated \$419.5 million of its estimated \$585 million share of that project.

NORTHERN NEW JERSEY - New Jersey received \$51.7 million in rail modernization funds to upgrade the former New York/Long Branch and Erie Lackawanna commuter rail lines and for design and improvements to the Newark subway. Another \$45.2 million was approved for NJDOT to fund the purchase of 57 push-pull rail cars and to make improvements to the Raritan Valley Line.

CHICAGO - A total of \$105 million was targeted to rail projects in Chicago. Rail modernization projects included \$18.7 million for the Regional Transportation Authority's (RTA) commuter rail program and \$19.3 million for the Chicago Transit Authority's (CTA) Phase III and IV improvement programs. The main rail extension project is the construction of a 7 mile link to O'Hare Airport. This extension, which will bring the airport to within 30 minutes of the Loop, received \$52 million in FY 1979, for a total of \$82.6 million to date. Finally, \$15 million went toward continued funding of 300 rail cars for the CTA as well as 34 rail cars and nine locomotives for the RTA.

PHILADELPHIA - The Philadelphia area received \$98 million in Section 3 funds for rail projects. The Southeastern Pennsylvania Transportation Authority (SEPTA) received \$12.8 million for land acquisition, the installation of two elevators in its 69th St. terminal, and the rehabilitation of up to 50 rapid transit cars and 50 PCC streetcars.

The City of Philadelphia received \$79.8 million. The main project funded was continued construction of the Center City Commuter Tunnel. That tunnel, which will link the former Penn Central and Reading commuter services (both now under Conrail), received \$47 million in FY 1979, for a total of \$157 million out of the \$240 million pledged in the full funding contract signed in 1976. Other projects funded include the purchase of subway cars and a TV surveillance system, and improvements to the Eighth St. Concourse and the Columbia Avenue station.

Finally, the Delaware River Port Authority received a grant of \$5.4 million to cover cost increases for rapid rail cars.

BOSTON - A total of \$41.5 million, plus \$5 million in Urban Initiatives funding, went for rail related projects in Boston. Those funds were used for improvements to the Green Line, Columbia Station, South Station, and Kendall Square, as well as for Phase IV plant improvements, improvements to signals and communications, and Phase I tunnel rehabilitation.

PITTSBURGH - On May 4, 1979, UMTA announced its plans to provide \$265 million contingent upon future availability of Section 3 funds to enable the Port Authority of Allegheny County (PAT) to initiate reconstruction and rehabilitation of 10.5 miles of a dilapidated 22.5 mile trolley line that will become the South Hills Light Rail Transit System (LRT). That agreement culminated 4 1/2 years of federal/local planning and negotiations to reach an acceptable solution to the transit problems of the South Hills community in Pittsburgh. The first \$12.0 million in funding toward that commitment was granted in FY 1979.

Cleveland received \$43 million and San Francisco, \$10.7 million for projects which involved on-going modernization of shops and stations, track work and signal work. In San Francisco, an additional \$6.7 million was granted for work on the Oakland by-pass.



### Bus Projects

The importance of transit buses to the nation's mass transportation systems is revealed in the following two statistics: over 70% of all passenger transit trips nationwide are transit bus trips, and approximately 95% of urbanized areas that provide mass transit service do so exclusively through transit buses. Past UMTA assistance has reflected the crucial nature of mass transit bus service. UMTA has devoted, through the end of FY 1979, over \$3.1 billion in Section 3 funds to the maintenance and improvement of bus systems. This assistance has supported a variety of activities. Since 1964, UMTA has participated in the public purchase of failing bus transit systems in 115 communities. UMTA funds also help replace over-age vehicles (over 20% of the national fleet was at least 15 years old, as of October 1, 1979). Additionally, Section 3 funds help finance fleet expansion, the improvement of garage and other support facilities, and the purchase of related support equipment such as radios, passenger shelters, bus stop signs and spare engines.

In FY 1979, a total of \$210 million in Section 3 funding was granted for 154 bus related projects. Of that amount, \$25.7 million went to Section 16(b)(2) projects; these grants provided private non-profit organizations funds with which to purchase vehicles and related equipment to provide special transportation services to the elderly and handicapped. The remaining \$184.3 million was granted for 84 bus projects throughout the nation.

Thirty-one projects were to assist with land acquisition, architectural and engineering work (A/E) and the building of maintenance facilities and garages for buses. An additional four projects entailed the rehabilitation, improvement or expansion of existing facilities. The largest bus facility projects in 1979 are outlined in Table 3.

Table 3  
Largest Section 3 Bus Facility Projects in 1979

City	Cost	Purpose
Milwaukee	7,279,216	Bus Garages
Salt Lake City	7,000,000	Garage & Administration Bldg.
Jacksonville, FL	5,874,214	Maintenance Facility Const.
St. Louis	4,568,616	Garages - A/E and land
Phoenix	4,539,956	Maintenance Facility
Detroit	4,370,862	Bus Garage
Los Angeles	4,033,428	Renovation of Facility
Buffalo	4,000,000	Bus Garage

The remaining projects were chiefly for the purchase of buses. Over 1,000 buses were purchased in FY 1979 using Section 3 funds. The largest bus purchases are listed in Table 4.

Table 4  
Major Bus Purchases in FY 1979

City	Cost	Purchase
Seattle	\$8,703,632	150 35 ft. and 40 ft. buses
Santa Clara, CA	8,187,468	66 Advanced Design Buses (ADB's)
Portland, OR	8,117,940	49 Articulated buses
Denver	7,661,600	67 ADB's
Cincinnati	7,064,696	72 40 ft. buses
St. Louis	6,579,296	41 ADB's and equipment
New Orleans	5,891,687	41 Buses and equipment
Los Angeles	5,144,500	38 ADB's (approximately)
Atlanta	4,004,164	30 ADB's (approximately)

Of the 25 largest urban areas, five received more than \$10 million each in Section 3 funds for bus and bus related projects. Those five are:

LOS ANGELES - The Los Angeles urban area received approval on nine projects worth \$16.2 million. The Southern California Rapid Transit District (SCRITD) received funds for 38 buses and renovation of a bus facility. The Orange County Transit District (OCTD) received funds toward construction of its Phase II Irvine Maintenance Facility. Other transit authorities received funds for 18 buses and vans, 35 wheelchair lifts and other projects. UMTA has committed \$149 million to a 4 year bus improvement program, of which \$16 million has been obligated as of the end of FY 1979.

DETROIT - Detroit received \$15.0 million for 2 projects, the construction of a major bus garage and the purchase of 229 general service buses and vans for service to the elderly and handicapped.

DENVER - Denver received \$7.8 million in Section 3 funds for A/E and construction on its Transitway Mall. Supplemented with \$17.6 million in Interstate Transfer funds and \$5.8 million in Section 5 funds, the project's overall FY 79 Federal commitment totaled \$31.2 million. The Mall, extending 12 blocks along 16th St. from the Civic Center to Larimer St., is an area where motor vehicles will be banned and transit service will be provided by small, low-polluting transit vehicles. There will also be a major terminal for express bus service from the CBD to other areas. Denver also received \$7.7 million in Section 3 funds for the purchase of 67 Advanced Design Buses (ADB's). By the end of FY 1979, \$64 million had been received out of a \$100-200 million multi-year bus improvement commitment by UMTA.

ST. LOUIS - The St. Louis urbanized area received Section 3 grants of \$11.1 million for bus related projects. Of that amount, \$4.5 million was for architectural and engineering work and land acquisition for bus garages, and \$6.6 million was to purchase and equip 41 ADB's.

SAN JOSE - Santa Clara County received \$2.1 million for a maintenance facility, and the Santa Clara County Transit District received \$8.2 million to purchase 66 ADB's, for a total of \$10.3 million.

### Urban Initiatives

On March 27, 1978, the President announced his urban policy which consists of a comprehensive set of policy statements to guide federal actions and programs for urban America. The Secretary of Transportation announced that UMTA's participation would be by way of the Urban Initiatives Program. This program finances projects designed to stimulate urban economic development or encourage private investment including commercial and residential development. The projects either enhance the effectiveness of other mass transportation projects or facilitate improved coordination between public transportation and other forms of transportation.

In FY 1979, 19 Urban Initiatives projects in 17 cities were funded, for a total of \$50 million in Section 3 funds. Those funds were used for rehabilitation or construction of terminals, stations and transit malls in conjunction with joint urban development projects being undertaken by the communities receiving the grants. The largest Urban Initiatives grants were:

NEW YORK - \$10,000,000 to finance transportation improvements required to supplement and support private development of Grand Central Terminal.

BALTIMORE - \$10,000,000 has been approved for three joint development projects:

- \* The Baltimore Gardens joint development project involves the extension and enlargement of the Lexington Market Transit Station to accommodate the development of a multi-level complex which is expected to generate annual retail sales of more than \$40 million.
- \* The North Avenue Station joint development project includes land acquisition, business relocation, site preparation and improvements necessary to develop a multi-level residential, retail and office facility around a community space to be constructed as part of the expanded North Avenue Station of the Baltimore Rapid Transit System.
- \* The Reisterstown Plaza joint development project includes the construction of a secondary north public entrance to the Reisterstown Plaza Station and the development of approximately 50,000 square feet of office space and 25,000 square feet of retail space.

PITTSBURGH - \$7,172,880 has been granted for land acquisition, engineering and design of the Midtown underground light rail station. The station will be the impetus for a \$126.5 million complex to be built by U.S. Steel Corporation at the location, to include retail and office space, a hotel, open plaza, pedestrian walkways, and a parking facility.

ST. LOUIS - A \$4,848,740 grant to the Bi-State Development Agency will fund renovation of two buildings located in a historic area to house approximately 300 administrative transit personnel. The Bi-State involvement in the district--known as Laclede's Landing--leads the revitalization of the area. HUD, EDA and the Department of Interior have provided \$1.5 million in grants for area development. Private investment in the area since the Bi-State purchase amounts to approximately \$25 million. Overall private investment is expected to reach \$45-50 million within the next five years.

BOSTON/CAMBRIDGE - \$5,000,000 in Urban Initiatives funds was granted. \$4,000,000 was to initiate engineering and design of the MBTA's South Station area in Boston. UMTA will finance modernization of the Red Line subway station within the South Station; construction of the intercity bus terminal; and construction of pedestrian access to the facilities and to private retail commercial space being developed on the upper three levels of the facility. \$1,000,000 was granted to finance design and engineering of Cambridge's Central and Kendall Stations. Overall, UMTA will finance the construction of a power substation, Kendall Square improvements, a transit plaza, and walkways and bridges connecting to Kendall Station. These activities will be dovetailed with the MBTA's \$4.5 million modernization of Kendall Station.

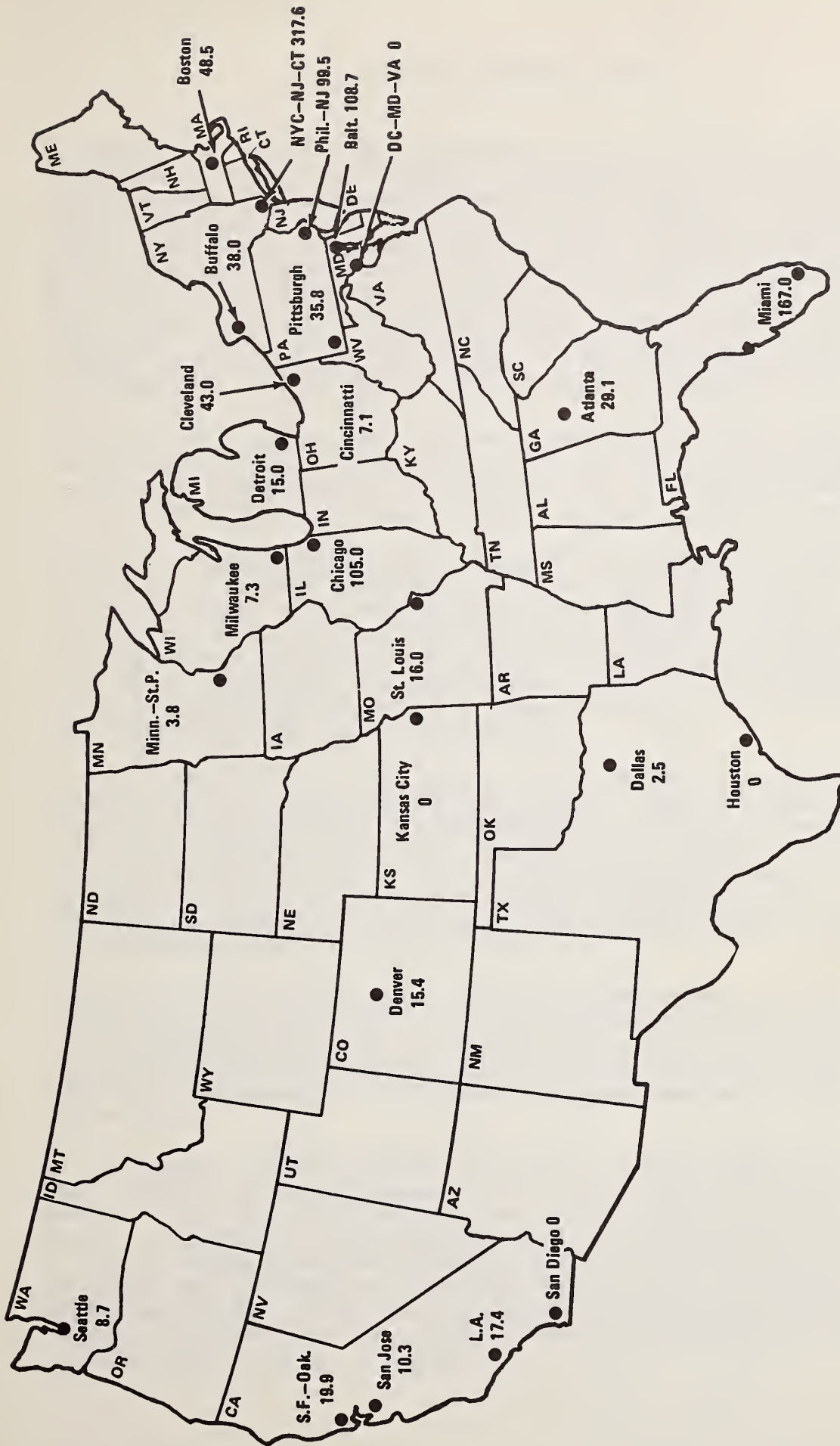


FIGURE 3. DISTRIBUTION OF FISCAL YEAR 1979 SECTION 3 GRANTS FOR 25 LARGEST URBANIZED AREAS  
(Dollars in Millions)



## SECTION 5 PROGRAM SUMMARY

Section 5 of the National Mass Transportation Assistance Act of 1974 established a Formula Grant Program for urbanized areas, providing either capital or operating assistance for mass transportation. Funds are apportioned by formula. For urbanized areas over 200,000 in population, funds flow directly to the designated recipient. For areas under 200,000, the funds go to the Governor of the state for distribution. Over \$1.1 billion in urban formula grants was obligated in FY 1979, which raised the level of assistance under the Section 5 program to approximately \$3 billion through FY 1979. In Fiscal 1979, Section 5 underwent major changes. Originally, Section 5 had been a single, unified formula grant program. In FY 1979, three additional tiers were added. As a result, Section 5 funds are now allocated in four tiers:

- Tier I is the original grant program, which provides funds to urbanized areas based on population and population density. A total of \$850 million was appropriated and obligated for Tier I in FY 1979, over 90% of which was obligated to cover eligible transit operating expenses.
- Tier II is a supplemental program aimed at the largest urbanized areas. 85% is to go to urban areas with populations over 750,000, and the rest to urbanized areas under 750,000 population. Within those categories, funds are apportioned based on population and population density and can be used for either operating or capital assistance. A total of \$150 million was appropriated for Tier II in FY 1979, of which \$82 million was obligated to transit agencies. All but \$7.8 million was used for operating assistance.
- Tier III is for capital and operating assistance projects involving commuter rail or other fixed guideway systems. Funds are apportioned based on commuter rail and fixed guideway route miles and commuter rail train miles operated within each urbanized area. A total of \$75 million was appropriated for FY 1979. Because funding apportionments were not published until the second week in September, only \$8.4 million was obligated in FY 1979. Unobligated FY 1979 funds will remain available for obligation until the end of FY 1982.
- Tier IV is for the purchase of buses and related equipment and the construction of bus facilities. Funds are apportioned based on population and population density. A total of \$300 million was appropriated for Tier IV in FY 1979, of which \$179.2 million was obligated to transit agencies. Unobligated FY 1979 funds will remain available until the end of FY 1982.

As in the past, the great majority of Section 5 funding was used for operating assistance to transit agencies. In FY 1979, approximately 78% of all Section 5 funds went to 376 operating assistance projects throughout the nation. In addition to providing \$868.5 million in operating assistance to transit agencies, Section 5 funds in FY 1979 helped fund the purchase of 1577 buses and 10 locomotives, the construction of 19 bus facilities and the rehabilitation of 2 others, the acquisition of 3 bus lines, the building of a transportation center in San Juan, Puerto Rico and construction on the Transitway Mall in Denver, Colorado.

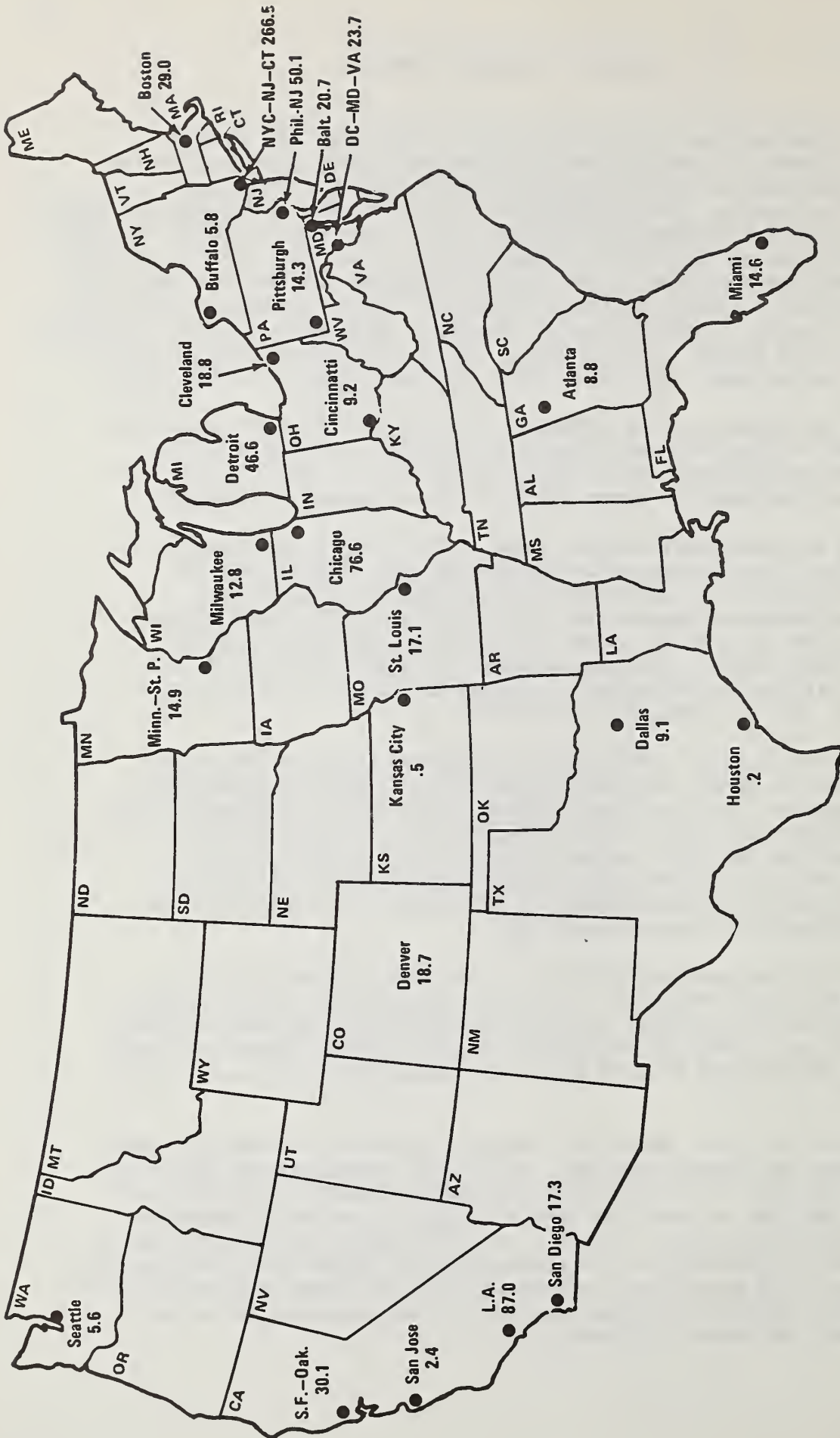


FIGURE 4. DISTRIBUTION OF FISCAL YEAR 1979 SECTION 5 GRANTS FOR 25 LARGEST URBANIZED AREAS  
(Dollars in Millions)



## INTERSTATE TRANSFER PROGRAM SUMMARY

Provisions of the Federal-Aid Highway Act of 1973 first allowed state and local officials to withdraw a planned Interstate highway segment and to undertake a substitute transit project in its stead. The Federal-Aid Highway Act of 1976 expanded these Interstate Transfer provisions to permit substitute highway, as well as transit, projects. Through FY 1979, approximately 117 miles of planned Interstate highway segments have been withdrawn in favor of locally preferred alternative transportation projects. This has created, as of September 30, 1979, a \$5.7 billion authorization for substitute projects. The actual rate of funding is governed by Congress through the appropriations process. Through FY 1979, \$2.2 billion has been obligated for mass transit, and \$207 million for non-interstate highway projects.

The Interstate Transfer program has grown steadily since FY 1974, when the program started. In FY 1979, a total of \$600 million was committed for 22 transit projects in eight cities, and \$100 million was committed for highway projects. The transit projects are discussed below:

**BOSTON** - Interstate Transfer grants totaling \$209.2 million were issued. \$187.6 million was to continue construction of the Northwest Corridor or Alewife Extension of the Red Line, which will extend three miles into the densely populated area northwest of Harvard Square. An additional \$21.6 million in Interstate Transfer funds was used for the Orange Line Southwest Corridor relocation project.

**HARTFORD** - The Hartford urbanized area received four grants for \$5.3 million under the Interstate Transfer program. Most of that money, \$4.5 million, went to renovate Union Station. The remainder was used to purchase and radio equip eight buses.

**ALBANY** - A total of \$2.9 million was granted to finance the construction of a bus storage and maintenance facility in Troy, NY and the rehabilitation of 24 buses.

**PHILADELPHIA** - Four Interstate Transfer grants totaled \$74.4 million. Those funds were used to assist in the purchase of 141 light rail transit vehicles, 190 buses and related support equipment, and 125 subway cars, and in the modernization of the commuter operation facility.

WASHINGTON, D.C. - A total of \$276.5 million went to 6 projects all but one of which were for its rail rapid transit system. Funds were used for procurement of rail cars; design, real estate acquisition and construction on the transit system; and project management. Finally, a grant was given to the Washington Council of Governments to conduct a neighborhood bus study. A total of \$1.276 billion in Interstate funds has now gone to the Washington, D.C. urbanized area.

CHICAGO - \$13.7 million went for snow removal equipment, heaters, and other equipment needed to winterize the CTA transit system.

DENVER - \$17.6 million was granted for two projects relating to the design and construction for Denver's CBD Transitway Mall. Combined with the \$7.8 million received from Section 3, and the \$5.8 million received from Section 5, a total of \$31.2 million in UMTA funds was spent on the Mall in FY 1979.

PORTLAND - Two grants, totaling \$107,355, were made for systemwide planning and alternatives analysis of the proposed Westside Corridor project.

## SUMMARY OF OTHER PROGRAMS

Federal-Aid Urban Systems (FAUS)

The Federal Aid Urban System (FAUS) program is a program which provides for the diversion of highway trust funds to finance mass transit capital and planning assistance projects. From its inception in 1974 through FY 1979, a total of \$167.6 million has been used for transit related projects, mostly in the New York urbanized area. However, while current diversion of FAUS funds to transit related projects is small, the potential for such diversion is large. The FAUS program has been appropriated at an \$800 million level recently, and there is no limit on the amount of these funds which may be used for transit capital projects.

In FY 1979, fifteen transit projects were funded, for \$21.3 million. The largest project funded solely through the use of Urban Systems funding in FY 1979 was rehabilitation of the Staten Island Ferry terminal in New York City, at \$4.3 million. Another \$3.7 million was granted to Nassau County, New York, to purchase 41 Advanced Design Buses. \$5.8 million went with Section 3 and other funds in Los Angeles, and were used to purchase approximately 40 ADB's. The only other projects granted over \$1 million were \$3 million to cover increased costs of a bus purchase by Seattle, and \$1.1 million to buy 19 ADB's in San Francisco.

Section 17

Section 17 authorized funding for Conrail, Amtrak, states, local public bodies and other agencies that incurred additional costs because of the Regional Rail Reorganization Act of 1973 (3R Act). The program was authorized at \$125 million, of which \$111 was obligated by the end of FY 1979. Only two agencies continued to receive assistance in FY 1979: the Rhode Island DOT received approximately \$500,000 in operating assistance for the Providence area, and the Northwest Indiana Public Transportation Authority received approximately \$1 million for operating assistance for the Chicago area.

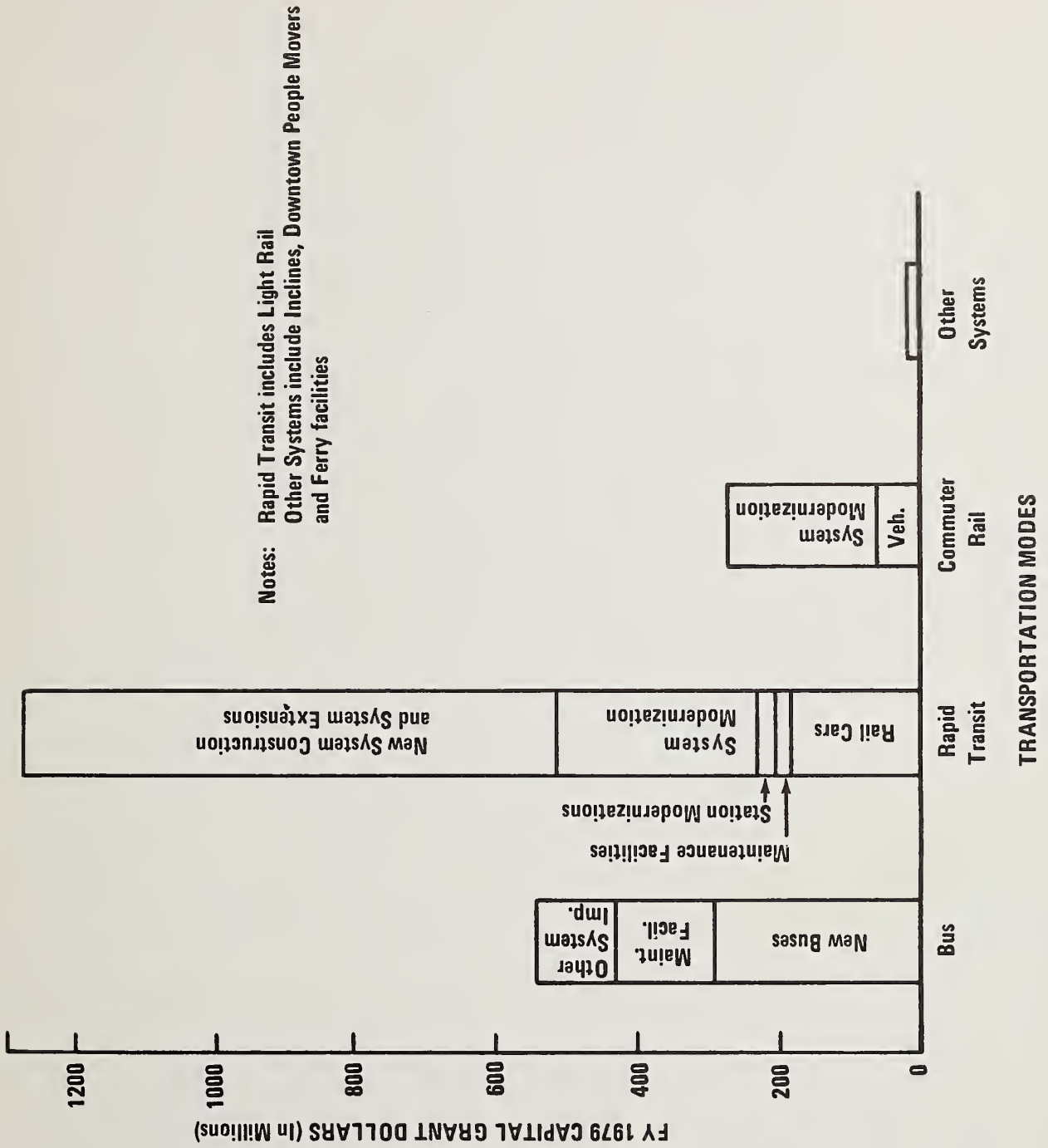
Section 18

Fiscal year 1979 was the first year of operation for the Section 18 program which provides formula grants to the states for projects serving small urban (under 50,000 population) and rural areas. This program is administered jointly by UMTA and FHWA, with FHWA designated lead responsibility for day-to-day administration. Most of the preliminary work needed to implement the program has been completed, including publishing preliminary regulations, formalizing procedures for UMTA-FHWA cooperation, designating state lead agencies, and apportioning funds among the states.

During FY 1979, \$7.9 million (11% of the \$75 million appropriation) was obligated to 38 States, Puerto Rico, Guam, and the Northern Marianas. Of this, \$3.5 million represented project assistance grants to eight of the states.

Most states will allocate at least some of the funds they receive as discretionary project grants. A good many states will use formulae to distribute some of their funds, and a few States will make both formula and discretionary grants.

FY 1980 should see much more funding obligated than in FY 1979, as the problems inherent in first-year operations, particularly problems with Section 13(c) labor protection provisions, are resolved. In FY 1980, a greater impact of Section 18 on small urban and rural public transportation will begin to be felt.



**FIGURE 5. FICAL YEAR 1979 CAPITAL GRANTS BY TRANSPORTATION MODE**





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