

U. S. DEPARTMENT OF TRANSPORTATION
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→ background information (A)

STATEMENT OF ALAN S. BOYD, SECRETARY OF TRANSPORTATION,
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION,
SENATE APPROPRIATIONS COMMITTEE
JULY 15, 1968

Mr. Chairman, Members of the Committee --

I appreciate your courtesy in arranging this special hearing to give me the opportunity to discuss the Urban Mass Transportation Program and to urge inclusion of the \$230 million budget request for the program for 1970 in the Department of Transportation Appropriation Act.

This request for advance funding of 1970 appropriations was originally presented as part of the President's 1969 Budget to the House Independent Offices Subcommittee. The Subcommittee decided at that time to defer action on the request because (1) Reorganization Plan No. 2, which provided for the transfer of the urban mass transportation programs from the Department of Housing and Urban Development to the Department of Transportation, was still pending before the Congress and (2) legislative authorization for the fiscal year 1970 appropriations had not been enacted. HUD did not formally appeal the House action to the Senate Independent Offices Committee for the same reasons.

Reorganization Plan No. 2 of 1968 became effective July 1. At that time the major portions of the programs authorized by the Urban Mass Transportation Act of 1964 were transferred to the Department of Transportation. The Housing and Urban Development Act of 1968 has now passed both the Senate and the House and includes authorizations for appropriations in the amount recommended by the President for fiscal year 1970. Accordingly,

the reasons which led the House Independent Offices Subcommittee to defer action are no longer a barrier to enactment of \$230 million in appropriations for the mass transit grant programs.

Background

Before discussing in detail the purposes for which appropriations are being currently requested, I should like to present a brief account of the origins, the purposes and the accomplishments of the Federal program of assistance to urban mass transportation.

As the members of the Committee well know, Federal highway programs have authorized grants to the States for urban highway constructions since 1934. The interstate highway program first authorized in 1956 gave special recognition to intensifying urban transportation problems by requiring that the needs of urban users be provided for in that system.

Since the end of World War II, the Federal Government has also provided financial assistance to metropolitan areas and other urban places for the construction of modern airports. Without these airports and the commercial air transport that has developed apace, growth of intercity travel and cargo movement which enhance the business and prosperity of every city would have been substantially less.

Federal assistance to cities for the alleviation of urban transportation problems is obviously not new. It has grown largely over the years as urban population and urban problems have increased. As air and automobile travel increased with the public provisions of facilities and services, patronage of both rail and bus mass transit in U.S. cities declined precipitously --

from a high of 23 billion passengers in 1945 to just over 9 billion passengers in 1960. With loss of traffic and consequent loss of revenue came a rapid deterioration of transit facilities and equipment and in the level of transit services. Obsolete equipment and inadequate service further reduced the comparative attractiveness of transit, with still further loss of patronage. Commuter railroads that have not suspended service are in dire financial straits, and several are sustained only by heavy State subsidies. Many smaller cities had lost or were in danger of losing all public transportation services. At the same time, users of urban highways, in spite of new construction, experienced increasing delays and congestion especially during rush hours.

Public realization of the essential role of public mass transportation in an effective urban transportation system, the increasing financial difficulties of the cities and the diminishing availability of central city land for additional highway right-of-way, parking and other ancillary facilities precipitated remedial congressional action in 1961.

An emergency urban mass transportation relief measure was written into the Housing Act of that year. It authorized Federal loans to assist in meeting the capital needs of the transit industry and established a program of matching grants to States and local public agencies to assist them in demonstrating new ideas and techniques for the improvement of transit services and equipment.

This stop-gap legislation was designed to meet critical needs pending completion of a study by the Secretary of Commerce and the Housing and

Home Finance Administrator to establish basic needs and the appropriate terms and conditions of a long-range and comprehensive program of Federal assistance to urban mass transportation.

On the basis of the conclusions and recommendations of this study, President Kennedy proposed a comprehensive urban mass transportation assistance program in his Transportation Message of 1962. Congress endorsed these proposals by enacting the Urban Mass Transportation Act of 1964 which was approved by President Johnson on July 9, 1964.

The 1964 Act authorized a new program of Federal grants on a matching basis for urban mass transportation capital improvements necessary to the accomplishment of locally-developed transit programs that are fully consistent with areawide comprehensive plans. The 1964 Act also continued and expanded the scope of the pilot projects authorized in 1961.

The 1964 Act was extended and expanded further in 1966 to permit grants to public bodies for planning, engineering and design of urban mass transportation projects.

The 1966 Amendments also included a directive to the Secretary of Housing and Urban Development to prepare a program of research, development and demonstration of new systems of urban transportation for carrying people and goods within metropolitan areas speedily, safely, without polluting the air, and in a manner that would contribute to sound city planning. A report, entitled Tomorrow's Transportation, was transmitted by the President to the Congress in May 1968.

Reorganization Plan No. 2 of 1968

The Congress recognized the critical and complex nature of urban mass transportation problems and the need for deliberate consideration of Federal organization to facilitate the dealings of local public agencies with the Federal Government. It provided in the Department of Transportation Act, therefore, for a joint study by DOT and HUD on the logical and efficient organization and location of urban mass transportation functions in the Executive Branch.

This study resulted in the proposals contained in Reorganization Plan No. 2 which was transmitted by the President to the Congress on February 26, 1968. The Congress approved the President's proposals and the plan transferring the program to DOT became effective on July 1, 1968. The President in transmitting the reorganization plan stated three objectives:

-- State and local government agencies should be able to look to a single Federal agency for program assistance and support in transportation matters to assure administrative simplicity and most efficient and economical use of Federal resources.

-- Assumption by DOT of responsibility for Federal promotional initiative in combining a basic system of efficient, responsive mass transit with all the systems of urban, regional and intercity transportation.

-- Strengthening HUD's leadership in comprehensive planning to assure that urban transportation systems conform to and support balanced urban development.

The effectuation of the Reorganization Plan and its objectives will require continuing cooperative effort by the two Departments. This effort has begun and a major objective for fiscal 1969 will be to assure an orderly transition.

Secretary Weaver and I have pledged (a) that program of both Departments will be carried forward under a common set of objectives, (b) that duplication of effort will be avoided, and (c) that Federal resources available to support urban programs will be utilized with maximum efficiency.

Accomplishments to Date

Capital Grant Program -- Since enactment of the Urban Mass Transportation Act of 1964, the heaviest expenditure of funds has been in the capital improvement grant program. As of June 30, 1968, the cumulative total was nearly \$400 million, covering 91 projects.

In terms of number of projects, grants for bus system improvements are preponderant -- with the greatest number of grants under \$1 million going to small and middle-sized cities, mainly for replacement of outworn equipment (nearly 2500 new buses, for instance), or a needed garage or maintenance facility, or to purchase a transit operation that is about to go out of business.

There is little question of the immediate effect of the program in keeping the transit systems alive in a score of smaller cities -- such as Albuquerque, New Mexico; Vallejo, San Diego, and Pomona in California; Pueblo, Colorado; Rome, Georgia; Terre Haute, Indiana; Lafayette, Louisiana; Rome and Utica, New York; Columbia, Missouri; Zanesville, Springfield, and Hamilton, Ohio; Salem, Oregon; Jackson, Tennessee; Abilene and Corpus Christ, Texas; and Martinsville, Virginia.

There is little question, also, that the capital grant program has enabled a number of the larger metropolitan areas to proceed with long-delayed rehabilitation and improvement programs which result in the speedier and more efficient movement of hundreds of thousands of commuters. Such an improvement, made possible by Federal assistance, was in the long-delayed Aldene Plane providing Northern New Jersey with a direct trans-Hudson connection to Manhattan -- and incidentally assuring continued life to the fading Jersey Central. Similar aid has been given for the extension and rehabilitation of electrification on the Long Island Railroad; for new cars and other improvements on the New Haven Railroad; new cars for the commuter service of the Pennsylvania Railroad; and new cars for the New York City subway system.

The San Francisco Bay Area Rapid Transit District is building the nation's newest rail rapid transit system -- the first really improved system in this country in 40 years. Federal funds amounting to more than \$51 million have already been committed to assure the completion of this project. In Chicago, Federal funds are assisting in the construction of

two important new rail lines of the city's subway-elevated system -- on the median strips in the Dan Ryan and Kennedy Expressways. Boston's old subway stations are being modernized and renovated with capital grant assistance. In Cleveland, capital grant funds have made possible a four-mile extension of the rapid transit system to the Cleveland Hopkins Airport.

These are but a few examples of how the Federal Government has been able to stimulate local initiative in the improvement of public transportation.

The \$400 million in Federal commitments is generating a total capital investment activity of nearly \$800 million in direct construction and manufacturing over the average project period of about two years. It is clear that this program has stimulated renewed interest in revitalization of urban transportation systems on the part of State and local governments. The interest of those States and local public agencies is evidenced concretely by their willingness to invest substantial sums of their own money, notwithstanding the financial difficulties of some States and most of our cities.

The capital grant program, in addition to meeting immediate capital needs, is also making it financially feasible for public officials in urban areas to plan for and develop balanced systems of transportation responsive to the varying needs of the various types of communities. The tangible incentives of these grants, as well as other types of urban assistance grants, have been highly significant in attracting attention to the importance of planning in terms of the entire complex of urban development.

Research and Demonstration Programs -- A major accomplishment of the demonstration and research program has been to change the climate in which the transit industry has functioned since World War II from one of frustration to one of hope for the future of public transportation in providing an essential service in our cities.

Individual projects, beginning early in 1962, have tried out and demonstrated the values -- and the weaknesses -- of new kinds of service and of new hardware.

The premium bus service experiment in Peoria showed how a local transit service which picked up riders in front of their homes and delivered them directly to their jobs could be successfully operated by a private carrier. The service has continued without public help since the demonstration project ended, and the idea has been picked up and used in other areas.

Extensive rail commuter experiments in the Boston, New York, and Philadelphia areas demonstrated how dramatic improvements in service could be made at no additional cost per passenger trip. These demonstration projects have helped revitalize rail commuter service in these cities and have formed the basis for long-range local programs for the support and improvement of rail commuter operations.

Demonstration services in St. Louis, Nashville, and other places are providing valuable information on the transportation needs of low-income areas and on the ways in which these needs can best be met.

Other demonstrations are testing transit marketing techniques, improved ways of scheduling men and vehicles through the use of computers, and better management information systems.

The 4.4 mile test track in the San Francisco Bar Area attracted worldwide interest and participation in the improvement of rapid transit technology -- including automatic train controls, better track structure, improved vehicle characteristics, and improved fare collection methods and machinery. The results of these developments were used in the design of the BARTD system and will affect rapid transit design over the next decade or two.

The Transit Expressway, developed and tested at Pittsburgh under the demonstration program, promises to provide the first new rapid transit concept in many years -- one specifically adapted to the medium-sized city that is too large to be served exclusively by buses and too small for a conventional rapid transit system. A modification of the Transit Expressway concept will be installed at the new Tampa International Airport, while full-scale installations are under consideration by transit planners in both Pittsburgh and Baltimore.

Current and Future Needs

Program benefits are widely dispersed. Thus far, capital grants have been made to local public agencies in twenty-seven States and applications are pending in two others. Of the cumulative total of capital grant projects approved, more than 40 percent went to cities having less than 250,000 population and 65 percent went to cities having less than 1 million population.

Metropolitan and other urban areas continue to grow rapidly. In nearly all cities the transportation systems are inadequate to meet the needs of large segments of the population. Requests from the cities for

Federal assistance to rehabilitate and expand existing mass transit systems and to develop new systems are increasing at an accelerated rate. The need for this aid spans cities of all sizes. While individual grants to larger cities tend to be larger, commensurate with the size of their population and transit system, grants to smaller cities have been more numerous.

It is evident that the cost of meeting these needs is beyond the financial abilities of most of our cities.

The appropriation now requested will preserve the one-year advance funding pattern established for this and other long-lead time programs several years ago. It is, moreover, essential as an element in orderly transition of the program from HUD to DOT administration.

I strongly believe that this is essential. Planning, designing, and arranging local financing for major public works projects is difficult and time-consuming. It is vital to the success of these efforts that our cities be assured that planned-upon Federal assistance will be forthcoming when it is needed. Financing the local share of projects often involves major bond issues which in many cases are subject to referendum. The financial institutions that underwrite these bonds assign great weight to anticipated Federal support in determining interest rates and other terms of the bonding arrangements.

Nearly \$200 million in capital grant applications are presently on hand, compared with the 1969 funded availability of some \$160 million. We can expect at least another \$150 million in capital grant applications during the current fiscal year and the volume could be more than double that in 1970. Thus, even with the full \$230 million requested now for 1970, only the highest priority projects can be aided.

The regular 1969 Department of Transportation Act should, in my opinion, cover all of the presently known needs of the Department. Because the urban transportation program became our responsibility on July 1, I believe that the necessary appropriations for the program should be included in the bill at this time.

For all these reasons, I respectfully request that the Committee give the President's budget estimate of \$230 million for this program most serious consideration. Favorable action by the Committee will be a major step towards solving one of the Nation's most urgent problems.

I should like to assure the Committee that Secretary Weaver and I intend that the programs of the two Departments be complementary rather than competitive. Where complex problems having aspects of interest to both agencies demand priority consideration and can be carried out economically by cooperative effort, we will jointly sponsor projects to solve them. Where one agency's interests are clearly dominant, single agency sponsorship will be utilized but the other agency will be consulted during project formulation, in the course of project implementation and in connection with project review and evaluation. There will at all times be complete and timely exchange of information. Undoubtedly problems will arise during the initial, transitional period. We believe that in the right spirit they can be resolved to the benefit of both the Federal Government and the local public agencies who so badly need Federal assistance to solve their mass transit problems.

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