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REVAMP TRANSPORTATION GRANT PROGRAMS TO MEET TODAY'S NEEDS, ADAMS SAYS

The federal transportation grant program involving some \$12 billion is outdated and inadequate to meet new and increasingly complex national priorities, Secretary of Transportation Brock Adams said today.

He suggested several actions to improve the effectiveness of transportation programs and to establish funding priorities.

The Secretary told the House Committee on Public Works and Transportation there are six major national issues which will weigh heavily on the determination of future transportation programs, especially on highway and mass transit programs.

These are, he said: energy; the need to streamline the transportation regulatory process; the need to provide a cleaner, safer and quieter environment; the urban crisis; the Administration's commitment to a balanced budget by fiscal 1981; and the need to stimulate employment.

"We are in a changing environment," Secretary Adams said. "Many of our grant programs were conceived of at a time when the term energy crisis had not even been mentioned, when the center cities were booming and urban sprawl was an unfamiliar term.

"If we are to respond effectively to the goals set by the President, if we are to adapt to the changing needs of the nation, and if we are to provide for more local discretion, then we must have a more flexible transportation program," the Secretary said.

Secretary Adams said that among the questions that must be addressed in formulating future transportation programs are how to achieve fuel-efficient transportation; how to structure transportation programs to create jobs and to bring the unemployed to them; to insure that programs have a beneficial effect on the environment; and to meet national transportation needs while honoring the President's commitment to a balanced budget.

As an example of the rigidity of existing transportation grant programs, the Secretary said there are nine categorical grant programs for urban areas.

"Each program has its own recipient, delivery system, eligible uses, matching requirements and administrative procedures," he said. "Highway funds cannot be used for transit operating assistance, transit funds cannot be used for highway improvements, and the primary (highway) system funds can be used only for construction or reconstruction of the primary system.

"Further," the Secretary said, "with the present variation in matching ratios there is a tendency for applications to gravitate toward the program authorizing the highest federal share."

The Secretary suggested as possible ways to increase flexibility: to drastically reduce the number of Federal Highway Administration and Urban Mass Transportation Administration programs from the present 40; to allow much greater freedom to transfer funds between programs; and to allow state and local officials to determine their own priorities for the expenditure of grant funds.

Secretary Adams said a number of options are being considered to improve the effectiveness of transportation grant programs.

Principal among these are:

- (1) Identical geographic coverage for all programs.
- (2) Coordination of DOT's planning requirements to enable state and local officials to undertake comprehensive intermodal planning, concentrating on systems rather than projects.
- (3) Include in the planning process a review of various transportation options, to help insure a cost-effective capital investment program.
- (4) Establish a single review and approval process for civil rights, environmental standards and safety and labor protection.
- (5) Provide grant assistance based on formulas which clearly reflect state and local needs and the willingness of the community to share in meeting those needs.
- (6) Structure grant programs to promote urban rejuvenation and rural economic development, and to dampen development patterns that make inefficient use of land, fuel or existing facilities.

Referring to the need for administration and congressional leaders to work together toward better transportation programs, Secretary Adams said, "I hope that the end result of our efforts will be a combined transportation account to permit the setting of national funding priorities and a consolidation of transportation programs that will give local officials the flexibility and the resources they need to improve the movement of people and goods."

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