



# DEPARTMENT OF TRANSPORTATION

# NEWS

## URBAN MASS TRANSPORTATION ADMINISTRATION WASHINGTON, D.C. 20590

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The Department of Transportation's Urban Mass Transportation Administration today released an analysis of the Federal-Aid Highway Act of 1973 as it effects public transportation. The Act (Public Law 93-87) was signed into law by President Nixon on August 13.

The analysis examines major provisions of the Act which make highway funds available for mass transit purposes. Also it analyzes significant amendments to the Urban Mass Transportation Act of 1964.

Further information may be obtained from the Urban Mass Transportation Administration, Office of Public Affairs, Room 9330, 400 Seventh Street, S.W., Washington, D.C. 20590, telephone (202) 426-4043.

MAJOR URBAN MASS TRANSPORTATION RELATED PROVISIONS  
OF THE FEDERAL-AID HIGHWAY ACT OF 1973

FEDERAL-AID HIGHWAY PROGRAM

Allocation of Flexible Urban System Funds. The Act earmarks urban system capital funds (authorized at \$780 million in FY'74, \$800 million in FY'75 and \$800 million in FY'76) for use in urban areas over 200,000 population. These highway funds are now open for transit purposes--fixed rail facilities and rolling stock for any mass transit mode. They are apportioned to each State in the ratio which the urban population in that State bears to the total urban population in the nation. Urban areas of 200,000 or more would receive their proportionate share of each State's apportionment on the basis of a fair and equitable formula approved by the Secretary. The State has total discretion in allocating funds to places under 200,000 population. Programs of projects, for the urban system will be jointly reviewed by the Federal Highway Administration and the Urban Mass Transportation Administration.

Public Transportation. The Act makes two principal changes: (1) it opens the urban system authorization to transit, both rail and bus and, (2) opens all highway funds (i.e., for suburban and rural systems) to exclusive lanes, traffic control devices, bus shelters, parking facilities, etc. (Since 1970, only those funds for the urban highway system, interstate system, and urban extensions of primary and secondary roads were available for these purposes.)

The flexibility provided by the Act is immediately available upon apportionment to localities (FY'74 and FY'75 urban system funds). Responsible local officials may propose a substitution of a transit project (bus or rail) for a highway project on the urban system, the State then having to certify the project's priority within the Urban Transportation planning process. Upon approval by the Secretary these projects would become Federal obligations to be paid from general funds at the same Federal share as for highways.

This section also provides that in FY 1975, in addition to the flexibility feature available in FY'74, Trust Fund

resources may be used to finance up to \$200 million in bus transit projects from the urban system program level; in FY 1976, Trust Fund resources finance all projects in the urban system program, without constraint as to mass transit mode.

Apportionment of Planning Funds and Designation of Local Agency. The Act "passes through" 1/2 of 1 percent of all apportioned Federal highway funds per year (about \$23 million in FY'74) to metropolitan agencies designated by the State for use in carrying out the comprehensive transportation planning process in urbanized areas over 50,000. The states would distribute the funds to such metropolitan agencies on the basis of a formula to be approved by the Secretary. Delivery of these funds will be coordinated with delivery of funds under Section 9 of the Urban Mass Transportation Administration Act of 1964.

Interstate Flexibility. In addition to the Federal-Aid highway Urban System funds for "non-highway public transportation" made available under the Act, Interstate Highway Funds are also made available for such purposes under certain conditions. Essentially, the Act provides that upon the joint request of a State Governor and the local governments concerned, the Secretary may withdraw his approval of portions of the Interstate system within an urbanized area of that State. Such withdrawal of approval would be conditional upon a determination that such route is not essential to completion of a unified and connected Interstate system or will no longer be essential due to substitution of a transit project, and will not be constructed as part of the system. The Secretary, further, must receive assurances from the local officials that the State does not intend to construct a toll road in the traffic corridor which would have been served by the Interstate route.

After the Secretary has withdrawn his approval, the local officials of the urbanized area so affected could notify the State highway department that their needs required non-highway public mass transportation facilities and equipment.

The State must then make a determination as to whether the proposed project is in accordance with the planning

process required by the Highway Act, and consequently entitled to a priority under that process. Upon making the determination, it would submit the project to the Secretary for approval.

Approval of plans, specifications and estimates for such project by the Secretary would constitute a contractual obligation on the part of the Federal Government to pay out of general revenues 80 percent of the cost of such project. This contract authority would be available until June 30, 1981 and would be subject to the limitation that the total Federal share authorized not exceed the Federal share of the cost of the Interstate segment for which the substitution was made. Funds apportioned to a State for its Interstate system activities would be reduced by an amount equal to such Federal share.

#### URBAN MASS TRANSPORTATION

Capital Grants. The Act authorizes \$3 billion from general funds in contract authority for the Urban Mass Transportation capital grant program. The increase establishes a \$6.1 billion program authorization for capital grants and loans.

The Federal share for these projects is increased from a flexible 2/3 to a mandatory 80 percent of the net project cost. The new Federal share applies to all capital grant project fundings which were not administratively reserved on or before July 1, 1973.

All applicants seeking Federal assistance for the purchase of buses under any UMTA or FHWA program must agree not to provide charter service in competition with private charter operators outside of their service area. Further, all such applicants must agree not to provide school bus service unless it operates its own school system and its own school bus program for that system. The prohibition does not apply if a private company cannot provide the same service reasonably and safely. \*

Technical Study Grant Program. The technical study program is given new flexibility by authorizing up to

\*Presently Congress is considering legislative proposals which would relax or remove this prohibition with respect to UMTA Funded projects.

100 percent Federal funding of technical study projects. The scope of such projects is also expanded to include the evaluation of previously funded projects. UMTA Administrative policy will be to provide 80 percent Federal share.

Elderly and Handicapped Provisions. Two percent of the total obligations incurred may be set aside and used exclusively to finance programs and activities to meet the special needs of handicapped and elderly persons. This represents an increase from 1 1/2 percent previously authorized.

In addition to public agencies, the Act allows applications from private non-profit organizations for grants to provide services for the elderly and handicapped where efforts of a public transportation company to provide these services are found to be unsuitable, insufficient or inappropriate.

Further, the Act requires the Secretary of Transportation to assure that transit projects financed under the highway program can be effectively used by elderly and handicapped persons. This provision does not apply to projects funded under the UMTA Act.

#### OTHER PROVISIONS

Public Mass Transportation Studies. The Secretary of Transportation, in cooperation with the Governor of each State and appropriate local officials is required to evaluate that portion of the 1972 National Transportation Report that pertains to public mass Transportation. All urban areas will be included in the evaluation and recommendations will be submitted to the Congress by July 1, 1974.

Also required is a study of revenue mechanisms which could be used to finance transportation activities receiving financial assistance from the Highway Trust Fund. This report will be made to the Congress within six months of passage of the Act.

Equal Employment Opportunity. Discrimination on the basis of sex is specifically prohibited in any UMTA assisted program.

Also authorized are rural highway public transportation demonstrations to encourage the development, improvement and use of public mass transportation systems operating vehicles on highways for transportation of passengers within rural areas. The projects will enhance access of rural populations to employment, health care, retail centers, education and public services. Projects eligible for Federal funds include passenger shelters, parking facilities to serve bus and other public mass transportation passengers, and the purchase of passenger equipment other than rolling stock for fixed rail.

Regulations to implement the 1973 Federal-Aid Highway Act are in preparation and will be made available through the Federal Register for public comment and through OMB Circular A-85 procedures for inter-governmental coordination.

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