



U.S. Department of
Transportation

News:

Office of Public Affairs
Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Friday, May 18, 1984

UMTA 16-84
Contact: Bonnie Whyte
Tel.: (202) 426-4043

STANLEY ANNOUNCES POLICY FOR NEW FIXED GUIDEWAY SYSTEMS

Urban Mass Transportation Administrator Ralph L. Stanley today announced the agency's policy for major capital investments in new fixed guideway systems and extensions of existing systems. The "new start" policy defines the process and factors used in evaluating new fixed guideway rail or exclusive busway projects for which Federal funding is requested from the portion of the one cent motor fuel tax dedicated to mass transit.

The Administration currently expects \$400 million to be available annually for work on "new start" projects during Fiscal Years 1984-1986. For Fiscal Year 1984, Congress earmarked funds for 12 projects that would eventually require almost \$6 billion in Federal funds to complete. Other projects in the pipeline could require up to an additional \$13 billion in Federal dollars to complete.

"The Reagan Administration has developed a rational basis to rate potential projects in order to make sound funding decisions for new fixed guideway projects. It is necessary to rate the projects with these objective criteria so that the Federal government makes the most cost-effective transit investments. With the amount of funding limited, it becomes a matter of arithmetic, not politics, to determine which of the many proposed projects will be financed," Stanley said.

The rating system is driven by the criteria called for in the 1984 Appropriations Conference Report -- cost effectiveness and local financial commitment. Rating can be done only after a community completes systems planning and chooses a priority corridor, meets threshold criteria in order to undertake a more rigorous alternatives analysis to choose the most effective form of transportation. The most cost effective projects are then advanced into preliminary engineering to develop detailed cost estimates, effectiveness measures and local financial plans.

Measurement of cost-effectiveness includes consideration of the number of estimated new riders, travel time reductions for existing riders, overall capital and operating costs, and local fiscal effort is measured by a local match of Federal capital. Although not part of the cost effectiveness computation, the stability and reliability of

- more -

operating resources and the extent of participation by disadvantaged business enterprises is also considered.

Under the new criteria, the Urban Mass Transportation Administration (UMTA) considered 11 projects and found that Seattle's Downtown Bus Tunnel, the Los Angeles Wilshire Subway and Houston's Northwest and Southwest Busways were among the most cost-effective. UMTA found that two rail projects, in cities which are still examining various alternatives, had not yet met the threshold criteria because a lower cost bus alternative could serve more riders. These included the St. Louis Airport Light Rail Line and the San Diego East Urban Light Rail Line.

UMTA was not able to rate four other projects due to lack of cost effectiveness data. These include Atlanta's north-south line, Jacksonville's Automated Skyway Express and Miami's proposed Metrorail and Downtown People Mover extensions. The Atlanta line, parts of which have been built with local funds, is expected to rate well when the data has been collected.

In response to the ratings, Administrator Stanley said, "We will fund 'new start' projects from the penny gas tax only if they are cost effective and have strong local financial support. The Federal government cannot afford to fund inefficient transit projects that pose a drain on the U.S. Treasury."

The Notice of Policy and Request for Comments is published in the May 18 Federal Register. Comments of the notice should be received by 60 days from date of publication. For questions on the notice contact Mr. Charles H. Graves, Director, Office of Planning Assistance, Urban Mass Transportation Administration, (202) 426-2360 or Mr. Kenneth W. Butler, UMTA's Associate Administrator for Budget and Policy, (202) 426-4050.

##

U.S. Department
of Transportation

**Urban Mass
Transportation
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

Official Business
Penalty for Private Use \$300

Postage and Fees Paid
Urban Mass
Transportation
Administration
DOT 511

