

U. S. Department of Transportation news:



Office of Public Affairs
Washington, D.C. 20590

FOR RELEASE MONDAY
January 9, 1978

DOT 1-78
Contact: Howard Coan
Tel: (202) 426-4321

29 COLLEGES AND UNIVERSITIES TO UNDERTAKE RESEARCH FOR DOT

Secretary of Transportation Brock Adams announced today that 29 colleges and universities in 18 states and the District of Columbia will undertake research for the department to solve problems in areas affecting commercial aircraft, railroads, autos, trucks and mass transit.

The educational institutions have signed contracts with the Department of Transportation for 39 research projects involving the various transportation modes. Total funding by DOT will amount to about \$2.1 million, and the participating colleges and universities and outside sources will contribute an additional \$206,658.

The contracts were selected from 291 proposals submitted by educational institutions in 43 states and the District of Columbia. The number of proposals received from minority schools during the fiscal year 1977 competition increased to 14 from the previous year's total of six. Three of those 14 proposals were funded.

A list of the 29 colleges and universities and the DOT funding for each contract follows:

- University of Arkansas -- \$43,845
- Boston College -- \$55,999
- University of California at Irvine -- \$66,552
- University of California at Los Angeles -- \$23,999
- Carnegie-Mellon University -- \$65,911
- Clark College -- \$47,600
- Cornell University -- \$65,000
- Dartmouth College -- \$46,381

Howard University -- \$83,000
University of Illinois at Chicago Circle -- \$49,493
University of Illinois at Urbana-Champaign (2 contracts) --
\$85,000, \$39,990
University of Maine -- \$29,679
University of Maryland -- \$53,000
Massachusetts Institute of Technology (4 contracts) -- \$70,000, \$69,000,
\$62,849, \$58,000
University of Michigan -- \$65,000
Polytechnic Institute of New York (2 contracts) -- \$30,028, \$30,000
State University of New York at Buffalo -- \$80,000
North Carolina A&T State University -- \$55,000
Northwestern University (3 contracts) -- \$65,000, \$57,996, \$41,222
Old Dominion University -- \$45,325
University of Pennsylvania (2 contracts) -- \$56,835, \$34,999
Pennsylvania State University -- \$42,998
Princeton University (2 contracts) -- \$75,705, \$25,956
Purdue University -- \$40,000
Rensselaer Polytechnic Institute -- \$72,000
University of South Dakota -- \$37,059
South Dakota School of Mines and Technology -- \$59,513
University of Tennessee -- \$62,000
University of Texas at Austin (2 contracts) -- \$67,524, \$50,000

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OFFICE OF THE SECRETARY

Washington, D.C. 20590

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U. S. Department of Transportation

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Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE TUESDAY
January 10, 1978

DOT R-44-77
Tel: (202) 426-9550

SECRETARY ADAMS URGES
COMMITTEE TO BOOST 55

Secretary of Transportation Brock Adams has called on members of the National Highway Safety Advisory Committee to give strong support to the national 55 mile per hour speed limit.

The secretary, who recently swore in 12 new members appointed to the committee by President Carter, said the speed limit law has been instrumental in dramatically reducing the number of deaths and injuries on the highway. "We don't want to see those gains wiped out by motorists who don't comply with the law," Adams said.

The 35-member committee advises and consults with the secretary on federal highway safety program standards administered by the Federal Highway Administration and the National Highway Traffic Safety Administration.

Ms. Lynne Smith of the Insurance Institute for Highway Safety is the committee's new chairperson, and Robert J. Forman, Vice President for Safety, Greyhound Lines, Inc., is the vice chairperson.

The new members include:

Oscar H. Edmonds Jr., Chairman, Memphis City Council.

Dr. Harold A. Fenner Jr., Department of Orthopedic Surgery, Norte Vista Medical Center, Hobbs, N. M.

Carlton Fisher, Director, Office of Highway Safety and Governor's Highway Safety Representative, Tucker, Ga.

Dr. Charles H. Hartman, President, Motorcycle Safety Foundation, Linthicum, Md., and former deputy administrator, National Highway Traffic Safety Administration.

Deborah Kaplan, Director, Disability Rights Center, Washington, D. C.

William O. Mays, M.D. President and Chairman of the Board, Michigan
MHO Plan, Inc., Detroit.

Betsy Fitzgerald Rahn, Judge, Municipal Court, Walnut Creek, Calif.

J. Phillip Richley, Vice President, Engineering and Construction, The
Cafaro Co., and former Director, Department of Transportation, Youngstown,
Ohio.

Kaliste J. Saloom Jr., Judge, City Court of Lafayette, La.

Dr. Basil Y. Scott, Deputy Commissioner for Administration, Department
of Motor Vehicles, Albany, N. Y.

Lynne Smith, Insurance Institute for Highway Safety, Washington, D. C.

Rebecca C. Young, former Deputy Secretary, Department of Administration
and Commissioner, Highway Commission, Department of Transportation, Madison,
Wis.

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U.S. Department of Transportation news:



Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE TUESDAY
January 17, 1978

DOT 2-78
Contact: H. Coan
(202) 426-4321

REPORT DESCRIBES TRAFFIC INNOVATIONS IN 7 CITIES

A report issued today describes transportation and pedestrian traffic innovations in seven large American cities aimed at helping to revitalize their downtown areas.

The 64-page booklet, entitled "Center City Environment and Transportation: Local Government Solutions," was developed under a Department of Transportation grant to suggest techniques which might be used by other local governments, and public and private groups.

The report discusses the projects of these seven cities:

Detroit -- Public funds for pedestrian malls, bus terminals, a rail system, downtown people mover and other transportation facilities are coordinated with the \$500-million Renaissance Center and other private investments to improve the center city's vitality.

San Francisco -- Parking policies are designed to encourage the use of mass transit, restrict automobiles in the downtown area and protect residential neighborhoods.

Seattle -- Free bus service has been established within a 105-block downtown area and Freeway Park was built with public and private funds over an interstate highway running through the central city.

Buffalo, N.Y. -- Transportation and market analyses have been used to provide the framework for coordinated downtown redevelopment, with a future rail transit system as a major feature of the plan.

Houston -- A downtown minibus system links fringe parking lots with the business district, and the city is studying the feasibility of building a downtown people mover and earning income from land development generated directly by the people mover project.

New York City -- Five projects are under way or planned to improve the environment for pedestrians, such as bus malls, wider sidewalks and improved graphics.

Los Angeles -- A regional approach was taken to improve transportation, including exclusive bus lanes and park-and-ride lots; a downtown people mover also is under study.

The booklet was developed by Public Technology, Inc. under a grant from the Urban Mass Transportation Administration's Office of Policy and Program Development.

While the current supply lasts, the report is available from:

Technology Sharing Program (TCI-20)
U.S. Department of Transportation
400 Seventh St., S.W.
Washington, D.C. 20590
Phone: (202) 426-4208

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U.S. Department of Transportation news:



Office of Public Affairs
Washington, D.C. 20590

FOR RELEASE WEDNESDAY
January 18, 1978

DOT 3-78
Contact: H. Coan
(202) 426-4321

ADAMS OPPOSES "CONRAIL" SOLUTION IN MIDWEST

Secretary of Transportation Brock Adams said today midwestern railroads -- not the Federal government -- should do the job of reducing little-used rail lines and excess facilities.

In remarks prepared for the opening of a two-day hearing he had called in Chicago on the Midwest's railroad problems, Secretary Adams warned against a "Conrail-type" solution, as was done in the Northeast when the Federal government helped to restructure the Penn Central and seven other bankrupt railroads.

"We do not want, nor do I believe we need a 'Conrail West', " he noted. "There are, in my judgment, adequate legal provisions and ample restructuring opportunities to support a private sector solution to rail problems in the Midwest."

Adams' speech to the gathering of railroad executives, public officials and others emphasized the need to find a solution as quickly as possible. He called the Midwest railroad situation "potentially disastrous" and added that "the dimensions of that problem -- and the costs of coping with it -- will only be aggravated by delay or vacillation."

Secretary Adams proposed extensive use of Section 401 of the 1976 Railroad Revitalization and Regulatory Reform Act that allows the federal government to assist in railroad restructuring without financial involvement. It also suspends anti-trust provisions against restructuring discussions among the railroads.

The Secretary said DOT is prepared to help these efforts in any way. He said he had designated Deputy Federal Railroad Administrator Robert Gallamore to work with the railroads.

Adams noted that federal funds would be used where they are needed to encourage the restructuring.

DOT would be willing to argue before the Interstate Commerce Commission for any changes under the 401 process, he added, if agreement can be reached with the railroads involved. The ICC must approve property transfers, trackage agreements or abandonments.

The Secretary said legislative change will be sought where it is needed, but he hoped large-scale rail reorganization legislation can be avoided at present. "We should make what we have work first. I am committed to that," he commented.

Secretary Adams gave two reasons for opposing a "Conrail-type" solution in the Midwest.

First, much of the extra track and facilities can be eliminated without ending service to important shipping points. For example, midwestern railroads could swap markets, jointly use facilities, abandon lines and some lines could be bought by stronger carriers.

Merger is a less-promising method, he added, which would have to both improve a railroad's profits and be in the public interest. However, the Secretary said he would reserve judgment on the Rock Island Railroad's plan to consolidate its freight service with four other Midwest railroads until a full assessment can be made of the possible costs and benefits. Under the plan, these railroads would jointly share terminals, rail yards, equipment and revenues.

Second, he said, the railroads should be given a chance to do their own restructuring before the government takes over the job.

"What would the government do with two bankrupt railroads?" he asked. "Merge and refinance them?" Adams concluded that "such an approach would make it more difficult to benefit from the cooperation (and resources) of the solvent carriers."

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U. S. Department of Transportation news:



Office of Public Affairs

Washington, D.C. 20590

FOR RELEASE THURSDAY, 3:00 pm EST
January 19, 1978

DOT 4-78
Phone: (202) 426-4321

DOT GENERAL COUNSEL KAMM CITES NEED FOR AIRLINE REGULATORY REFORM

Calling the outdated government regulation of airlines "confining and retarding" to the industry, Department of Transportation General Counsel Linda Kamm today said the free enterprise system is more theory than reality in America's air transportation.

In a speech prepared for the Sacramento Rotary Club, Kamm said, "One of the first things that President Carter did after he took office was to call for legislation that would reform the airline industry. This reform has been a top priority of the Department of Transportation.

"We expect to have this reform legislation on the President's desk this coming Spring."

The General Counsel said the laws passed by Congress 40 years ago to enable the then infant industry to grow, "are now confining and retarding its potential growth" in several ways, including:

Regulatory Lag -- Before an airline can make route changes, provide new service to a community, raise or lower fares, or make almost any change, it must apply for approval to the CAB. "And often, it takes months and years to get these changes effected. There are now over 600 applications on file at the CAB for new service. Many of these are years old," Kamm said.

Currently, for instance, Pacific Southwest Airlines (PSA) is attempting to provide new service at lower than current fares from several California cities to Las Vegas and Reno, Nevada. "And, most knowledgeable airline people in Washington think it will take months if not years to even get a decision," Kamm said.

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Entry -- Unlike other industries, if a new firm wishes to enter the aviation industry or if an existing airline wishes to enter a new market, it must receive permission from the CAB and prove its entry is "required by the public convenience and necessity."

Kamm noted that "These seem like innocuous words. But many Civil Aeronautics Boards have interpreted these words to bar entry if that entry would significantly hurt an existing participant in the airline industry. The consequence of this interpretation is that there has been no new trunk airline created for the last 40 years. The CAB has turned down literally dozens of requests from applicants. There were more trunk carriers in the airline business in the 1930's and 1940's than there are today."

As an example of delaying entry, Kamm noted that in 1967 World Airways, an Oakland, Calif., based carrier, petitioned the CAB to start low-priced transcontinental air travel for about \$90 a passenger. "The CAB sat on that application for six years. Then, in 1973, the Board dismissed the application as being 'stale.' World Airways filed a new application in 1975, and now in 1978, the CAB is finally considering the matter. A decision may be forthcoming in a year or so," Kamm said.

Operating restrictions -- "Often times, even after a new route has been granted, restrictions are placed on a carrier's operating rights on the route. For example, the freight carrier, Flying Tigers, for years flew from the lower 48 states to Alaska on its way to Japan. But even though it was allowed to stop in Alaska, it could not use any empty space it had to deliver freight to Alaska. Only recently has this situation been cleared up," Kamm said.

Price Competition -- "It doesn't exist. Air travelers may have a choice of plane colors, meals, movies and drinks, but in the matter of price there is little if any competition. The CAB controls all fares, and it uses a fare test similar to the test for entry: Would a proposed fare decrease hurt an existing competitor? The answer is fairly obvious," Kamm said.

Kamm said the airlines controlled solely by state aviation board have often fared better. They are given pricing flexibility and as a result often charge less than CAB controlled airlines. "For instance, the air route between Los Angeles to San Francisco is about the same distance as the route between Washington, D.C. to Boston, Mass. However, the air fares are approximately half as much on the California route," she said.

Kamm noted that in spite of the benefits of airline regulatory reform, there is opposition.

"Some opponents have argued that reform will bring airline chaos," she noted. But, she added, "We are not talking about doing away with the regulatory system; we are talking about reform. The changes we propose will be gradual and controlled."

Another charge against reform is that it will result in less service to small communities, Kamm said.

"Under the existing regulatory system, hundreds of small communities have actually lost certificated air service. Reform offers us an opportunity to improve air service to these communities. We foresee new programs that would guarantee air service to any point served today by a CAB carrier. Thus we can have a program that offers increased and more efficient small community service," she said.

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U.S. Department of Transportation news:



Office of Public Affairs
Washington, D.C. 20590

FOR RELEASE MONDAY
January 23, 1978

DOT 5-78

DOT SETS SECOND SEMINAR ON HAZARDOUS MATERIALS RULES

A second Department of Transportation seminar on hazardous materials transportation safety rules will be held next month near Detroit.

The two-day session Feb. 7-8 at the Ramada Inn in Romulus, Mich. is part of a nationwide series of seminars aimed at increasing familiarity with federal regulations on safe transportation of hazardous materials. (The fee is \$30.)

During the training sessions DOT speakers will discuss transporting hazardous materials by air, rail, truck, barge and ship.

The program is designed for persons who recently have become involved in hazardous materials transportation and those who need a refresher course in the regulations.

Sessions will emphasize an understanding of the regulations' training requirements and compliance procedures. The program is not intended to replace the in-depth training necessary to comply with the regulations.

The first seminar was held in Newark, N.J. in December. Other seminars are planned for Boston, New Orleans, San Francisco and Los Angeles. Dates and exact locations will be announced later.

Further information on the seminar in Romulus is available from Roosevelt McKinley Jr. (DMT-15), Office of Hazardous Materials Operations, U.S. Department of Transportation, Washington, D.C. 20590. Phone: (202) 426-2301.

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U.S. Department of Transportation

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Washington, D.C. 20590

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(202) 426-4321

DEPARTMENT OF TRANSPORTATION FY 1979 BUDGET HIGHLIGHTS

Total outlays for the Department for 1979 are projected at \$15.8 billion, an increase of \$1.4 billion over 1978. A significant share of this increase is attributable to increased levels of highway construction and public transportation grants during 1978 and earlier years. As with all major construction and heavy equipment procurement programs, the payout (outlays) usually occurs over more than one year, with the third largest outlay amounts normally taking place in the second and third years.

For 1979, the program level for the Department totals \$17.3 billion. "Program level" is a single term which is used to match the various types of financing techniques used in the Department for comparative purposes. Selected measurement such as budget authority, obligations or administrative reservations are combined in order to gauge the overall transportation activity. On a comparable basis, the 1978 program level is estimated to be \$16.8 billion.

HIGHWAY/PUBLIC TRANSPORTATION PROPOSED LEGISLATION

One of the most significant items included in this budget is the proposal to send to the Congress major new legislation to redirect the highway and public transportation programs and provide financing on a four-year authorization basis. This legislation also will:

- narrow the difference between the operation of highway and public transportation programs allowing states and localities to evaluate the relative merits of these alternative forms of transportation;
- adopt uniform Federal matching shares for highway and public transportation; 90% for all Interstate projects and highway and public transportation projects substituted for Interstate segments and 80% for all other highway and public transportation projects;

- more -

- provide flexible assistance for the transportation needs of small urban and rural areas;
- reduce the number of categorical programs that limit the flexibility of states and localities in the use of Federal transportation funds;
- provide for new institutional arrangements where desirable to enhance intergovernmental cooperation in transportation programs;
- accelerate completion of the Interstate highway system by concentrating available resources on constructing essential unbuilt segments, and by requiring states to decide by 1982 either to build uncompleted sections or to remove them from the system;
- consolidate federal highway and public transportation planning assistance programs;
- provide an expanded highway program to deal with the critical problem of bridge reconstruction and rehabilitation;
- expand public transportation formula grants to include capital facilities grants for modernization of rail and bus facilities and routine bus and rail rolling stock replacements, providing a more predictable flow of funds and facilitating better planning;
- focus the discretionary program for public transportation on major system investments, particularly those that support better land use, energy conservation and urban revitalization;
- provide flexibility for use of up to 50% of apportioned funds under the public transportation formula grants for urban highway projects, similar to the current flexible use of highway grants.

COAST GUARD

A program level of \$279.2 million is proposed for Coast Guard capital improvements. This is an increase of over \$43 million, or approximately 20%, above amounts for the two preceding years. The Coast Guard needs to replace old vessels and aircraft with new equipment to meet the important new statutory responsibilities placed on the Coast Guard over the past few years such as those relating to oil spills along our coastal waters and to ocean fisheries protection. Funding is provided for two new cutters, five new helicopters and 12 new jet aircraft, all of which will replace worn-out equipment. Fourteen stations and bases will be partially or entirely rebuilt and one Loran C station will be added to provide navigational accuracy on the vital tanker route from Alaska to Puget Sound.

Overall, the Coast Guard total program level for 1979 is \$1.55 billion, up \$157 million from 1978. Among the programs funded in this increase are the Presidential (and Congressional) initiatives related to oil pollution problems in the marine environment. In particular, the Coast Guard's foreign tanker inspection and pollution response capability will be strengthened.

Under new legislation currently before the Congress, a comprehensive system of liability and compensation will be established for damages by oil pollution in the navigable waters of the United States and on the high seas. Charges in the form of a per barrel tax will be levied on owners and operators of potential sources of oil discharges to create a fund for damages and cleanup expenses.

This fund will be established with initial capital amounting to \$180 million in 1979.

For the first time the Coast Guard's "alteration of bridges" program is being placed on a "full funding" basis, with the total funds needed to complete the alteration of a given bridge included in the budget at one time. In the past these funds were requested on an incremental basis, specifically just the amount expected to be used in the budget year. A total of \$34.6 million is proposed to fully fund alterations or removal of three bridges and completion of alterations of two others.

The Coast Guard's research and development efforts will continue to concentrate on projects related to marine oil spill prevention, detection and removal. Finally, we are proposing a two-stage phase-out of the boating safety assistance grants. This program has met well its legislated purpose of assisting states in gearing up their own programs. Of course the Coast Guard will continue to assist states in their boat safety activities by increasing its liaison activities and its supporting role of setting standards.

FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration budget includes \$146.6 million of new funds, which, together with \$27.9 million of prior year funds, provide a total of \$174.5 for "full funding" of a program to automate, streamline and modernize flight service stations. These stations provide preflight and inflight navigation and related services, including the dissemination of aviation weather data, to general aviation aircraft, and are an essential element in fulfilling the FAA's safety-related mission.

Overall, the proposed FAA program level is \$3.09 billion, up \$304 million from 1978. Nearly all of this increase is related to the cost of operating, maintaining and improving the national air traffic control and air navigation system as well as the establishment of a higher level of airport development grants, which will be funded at the fully authorized levels.

Air traffic controller staffing will be expanded to keep pace with the projected growth in aviation activity.

The FAA request also includes \$75 million for research engineering and Development. It is in this appropriation that we continue to develop and refine systems designed to insure that the air traffic control system of the future will provide the necessary elements of safety and capacity. Among the elements presently under development are advanced systems for collision avoidance and all-weather landing, as well as for detection and avoidance of "wind shears."

The budget assumes that action will be taken by the Congress this year to authorize a program to assure full compliance with Federal aircraft noise abatement regulations. To provide funds for such a program, the budget assumes, in line with the legislation, that surcharges of 2% will be imposed on domestic airline passenger tickets and on freight waybills, and that a corresponding two percentage point reduction will be made in the existing passenger ticket and freight waybill taxes. This would leave the cost of air transportation unchanged but would result in a reduction of \$334 million in FY 1979 revenues to the Airport/Airway Trust Fund. Our revenues estimates for FY 1979 reflect this reduction.

FEDERAL HIGHWAY ADMINISTRATION

Under the proposed new legislation for the highway and public transportation programs, described earlier, the 1979 obligation total for the Federal Highway Administration is \$8.1 billion. Of this amount, \$7.8 billion is proposed for the Federal Highway Program which, for budget presentation purposes, is restructured along the broad program lines contained in the legislative proposal.

Increased emphasis will be given to the motor carrier safety area. \$13.4 million is requested for this program level in 1979, which is a 60% increase above 1978. Included in this amount is a new program, funded at \$4 million, which is designed to determine whether the states themselves can conduct an effective motor carrier safety enforcement effort.

Also \$20 million is proposed for construction on the Darien Gap Highway, the last incomplete portion of the Inter-American Highway. Construction is in Panama only.

The budget provides for construction on certain highway programs initiated in earlier years but not proposed for reauthorization under the new legislation. These include the Overseas Highway, Highways Crossing Federal Projects, the National Scenic and Recreational Highway, Railroad-Highway Crossing Demonstration projects, and the Baltimore-Washington Parkway.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The National Highway Traffic Safety Administration program level is \$255 million, approximately the same as 1978. Most of this -- \$172 million -- is for our state and community highway safety grant program. Under proposed legislation \$40 million of this sum will be directed toward strengthening compliance with the national speed limit of 55 miles per hour.

The vast majority of American citizens approve the 55 mph speed limit and they recognize it saves thousands of lives and millions of gallons of fuel. While average speeds have reduced some five miles per hour since 1974, traffic data show that the general public approval of the speed limit needs to be better translated into general practice -- a high priority goal of our efforts now and in the budget year ahead.

In NHTSA's operating appropriation, \$9 million will be devoted to continued development of an accident data collection program which will provide us and state and local program managers with basic information needed to improve highway safety. Looking to the future, the budget provides for fabrication and testing of experimental vehicles used in assessing the potential for the manufacturer of cars with optimum fuel economy, safety, emissions and cost. Continued emphasis will be given to the administration of mandatory and voluntary fuel economy programs which will reduce the amount of petroleum used by motor vehicles.

With the consumer in mind, NHTSA will also undertake a \$1.5 million project to determine the practicability of developing a system of rating automobiles in relation to crashworthiness and repairability.

FEDERAL RAILROAD ADMINISTRATION

The budget proposes a program level of \$913 million for the Federal Railroad Administration, exclusive of grants for Amtrak. Within this amount, we are stepping up FRA's railroad safety program by adding to the safety inspection staff, continuing effective utilization of automated track inspection equipment and by providing grants to states to assist railroad safety enforcement.

The budget also provides \$455 million for continuation of the major construction program to upgrade the quality of rail service to all users of the Northeast Corridor. As a result of a recent review of this project, it was determined that some basic policy changes are necessary in the overall concept of the program. Specifically, steps will be taken to insure the program: (1) provides better service to all Corridor passengers (both intercity and commuter) and freight customers; (2) pays greater attention to dependable and reliable service while still striving to meet legislated trip-time goals; and (3) aims toward economic self-sufficiency of Corridor operations. These broad changes are being translated into specific guidelines and plans. Meanwhile, the 1979 program level for this project is slightly more than 1978 and moved ahead on elements of the current program which clearly are compatible with the changed emphasis.

Additionally, to assist railroads through the country in meeting capital needs necessary to maintain essential rail freight services, the budget proposes \$260 million in new commitments. This funding, which provides for the purchase of redeemable preference shares by the federal government, should aid in the restructuring of railroads where conditions warrant. Additional assistance to railroads will be provided through loan guarantees to meet longer term capital needs.

To assist states in financing a major share of the costs of continuing selected freight services, \$67 million is requested for FRA's nationwide program of rail service continuation payments. This program is designed to alleviate undue hardship to shippers and communities which might otherwise occur by the abrupt abandonment of their local freight service. Also within this program category, a \$10.6 million funding level is proposed for the Minority Business Resource Center to assist minority business firms in securing contracts arising out of the programs to restructure and revitalize the Nation's railroads.

FRA research and development programs will continue to concentrate on near-term solutions to problems facing the railroads.

The budget for Amtrak grants amounts to \$660 million, of which \$510 million is for operating subsidies. The budget assumes that the general taxpayer should not be asked to subsidize operating deficits without regard to size. Rather, it is expected that Amtrak will operate essential passenger services within the level requested by taking necessary management actions consistent with the established congressionally approved route and service criteria. The Department, in cooperation with Amtrak, is conducting a review of Amtrak's route structure and will submit a report to the Congress by March 1, 1978. The results of the study are expected to influence the final subsidy level for 1979.

URBAN MASS TRANSPORTATION ADMINISTRATION

Under the proposed legislation for highway and public transportation programs described earlier, the total 1979 program level for the Urban Mass Transportation Administration is \$2.86 billion which, on a comparable basis, exceeds the 1978 level by more than \$100 million.

The structure in the proposed UMTA legislation schedule in the budget shows the main elements of the new program.

Within this total is \$1.04 billion for urban discretionary grants including \$640 million for capital facilities grants and planning grants and \$400 million for Interstate transfer grants. Also within the total is \$1.735 billion for urban formula grants including \$937 million for grants for operating assistance as well as \$798 million for modernization of rail and bus facilities and equipment and certain bus purchases and rolling stock replacements. Grants for planning and demonstration also are provided for as a drawdown against urban formula grants.

The remainder of the total consists of administrative expenses and a balanced R&D program of technology and demonstrations focusing on near-term results.

No Interstate transfer funds are shown in the budget for use in the Washington Metropolitan Area Transit Authority (D.C. Metro) construction program, pending the completion of the reevaluation of alternatives in certain corridors and the development of a comprehensive system financing plan. The Department will review these regional agency recommendations, which are to be submitted by August 31, 1978, and expects to submit a budget amendment thereafter.

ST. LAWRENCE SEAWAY CORPORATION

For the St. Lawrence Seaway Development Corporation, the 1979 estimate of revenues is \$9.5 million. This is \$1.1 million more than 1978 and reflects a new joint toll agreement between the Seaway Corporation and its Canadian counterpart. This agreement, which remains to be formalized, provides for increases to be phased in over three years. The revenues will finance operating expenses, capital projects and bond redemption.

OFFICE OF THE SECRETARY

The Office of the Secretary has been reorganized to streamline its operations and to strengthen its mechanisms for assuring the Department's effectiveness in meeting its policy goals and objectives. As a result, the Office of the Secretary is a far leaner organization with 796 fewer positions and \$14.8 million less funding than 1978. The budget for the Office of the Secretary for 1979 is \$45.8 million.

RESEARCH AND SPECIAL PROGRAMS DIRECTORATE

As part of the reorganization, the Materials Transportation Bureau, the Transportation Systems Center and certain operational and R&D programs formerly in the Office of the Secretary have been consolidated in a single organizational unit called the Research and Special Programs Directorate.

This new organization has a key role in providing a central organization for developing multimodal systems, stimulating industry efforts to advance transportation technology, and for conducting special programs, particularly those relating to hazardous materials transportation and pipeline safety. The 1979 funding for the Directorate is \$24.4 million. Additional staff is being proposed for the pipeline and hazardous materials operating programs and also we are establishing an Alaskan gas pipeline project field office to assure that federal safety standards are complied with in the construction and operation of the Alaskan natural gas pipeline.

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Washington, D.C. 20590

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Overall, the proposed FAA program level is \$3.09 billion, up \$304 million from 1978. Nearly all of this increase is related to the cost of operating, maintaining and improving the national air traffic control and air navigation system as well as the establishment of a higher level of airport development grants, which will be funded at the fully authorized levels.

Air traffic controller staffing will be expanded to keep pace with the projected growth in aviation activity.

The FAA request also includes \$75 million for research engineering and Development. It is in this appropriation that we continue to develop and refine systems designed to insure that the air traffic control system of the future will provide the necessary elements of safety and capacity. Among the elements presently under development are advanced systems for collision avoidance and all-weather landing, as well as for detection and avoidance of "wind shears."

The budget assumes that action will be taken by the Congress this year to authorize a program to assure full compliance with Federal aircraft noise abatement regulations. To provide funds for such a program, the budget assumes, in line with the legislation, that surcharges of 2% will be imposed on domestic airline passenger tickets and on freight waybills, and that a corresponding two percentage point reduction will be made in the existing passenger ticket and freight waybill taxes. This would leave the cost of air transportation unchanged but would result in a reduction of \$334 million in FY 1979 revenues to the Airport/Airway Trust Fund. Our revenues estimates for FY 1979 reflect this reduction.

FEDERAL HIGHWAY ADMINISTRATION

Under the proposed new legislation for the highway and public transportation programs, described earlier, the 1979 obligation total for the Federal Highway Administration is \$8.1 billion. Of this amount, \$7.8 billion is proposed for the Federal Highway Program which, for budget presentation purposes, is restructured along the broad program lines contained in the legislative proposal.

Increased emphasis will be given to the motor carrier safety area. \$13.4 million is requested for this program level in 1979, which is a 60% increase above 1978. Included in this amount is a new program, funded at \$4 million, which is designed to determine whether the states themselves can conduct an effective motor carrier safety enforcement effort.

Also \$20 million is proposed for construction on the Darien Gap Highway, the last incomplete portion of the Inter-American Highway. Construction is in Panama only.

The budget provides for construction on certain highway programs initiated in earlier years but not proposed for reauthorization under the new legislation. These include the Overseas Highway, Highways Crossing Federal Projects, the National Scenic and Recreational Highway, Railroad-Highway Crossing Demonstration projects, and the Baltimore-Washington Parkway.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The National Highway Traffic Safety Administration program level is \$255 million, approximately the same as 1978. Most of this -- \$172 million -- is for our state and community highway safety grant program. Under proposed legislation \$40 million of this sum will be directed toward strengthening compliance with the national speed limit of 55 miles per hour.

The vast majority of American citizens approve the 55 mph speed limit and they recognize it saves thousands of lives and millions of gallons of fuel. While average speeds have reduced some five miles per hour since 1974, traffic data show that the general public approval of the speed limit needs to be better translated into general practice -- a high priority goal of our efforts now and in the budget year ahead.

In NHTSA's operating appropriation, \$9 million will be devoted to continued development of an accident data collection program which will provide us and state and local program managers with basic information needed to improve highway safety. Looking to the future, the budget provides for fabrication and testing of experimental vehicles used in assessing the potential for the manufacturer of cars with optimum fuel economy, safety, emissions and cost. Continued emphasis will be given to the administration of mandatory and voluntary fuel economy programs which will reduce the amount of petroleum used by motor vehicles.

With the consumer in mind, NHTSA will also undertake a \$1.5 million project to determine the practicability of developing a system of rating automobiles in relation to crashworthiness and repairability.

U. S. Department of Transportation

news:

Office of Public Affairs

Washington, D.C. 20590



NOTE: MATERIAL EMBARGOED FOR RELEASE
UNTIL 10:00 A.M., MONDAY, JANUARY 23, 1978

DOT 7-78
Phone: (202) 426-4321

In its proposed budget for fiscal year 1979, which places a high priority on meeting President Carter's energy goals, the Department of Transportation projects a program level of \$17.3 billion, a \$500 million increase from the comparable 1978 program level of \$16.8 billion.

Total outlays for 1979 are projected at \$15.8 billion, an increase of \$1.4 billion that reflects commitments to increased levels of highway and mass transit construction made in the previous year.

Noting that transportation is the largest user of the nation's energy resources, Secretary Brock Adams said it is "important that our budget reflect the department's commitment to fulfilling the national energy program. We are placing high priority on energy-related programs across the board.

"Our proposed new highway and public transportation legislation reflects a new consciousness of energy scarcity as a controlling factor in surface transportation development," the Secretary said. "New planning requirements will require consideration of energy conservation along with other factors of national interest."

Adams cited two of the department's programs in the National Highway Traffic Safety Administration -- the 55-mile-per-hour national speed limit and the automobile fuel economy standards -- as examples of the department's commitment to energy conservation.

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Statistics show that adherence to the national speed limit can save up to three billion gallons of gasoline a year and NHTSA automobile fuel economy standards are expected to save 10 billion gallons of fuel annually by 1985, the Secretary pointed out.

"We are equally concerned with programs directed towards ensuring that transportation can move our supplies of energy and have given these high priority as well," Adams said. "Our concern is that those transportation activities are conducted in a responsible manner that recognizes other national objectives such as the protection of the environment.

"We are establishing a special field office to assure compliance with federal standards in the construction and operation of the Alaskan natural gas pipeline, and our rail and highway grant programs will provide basic capital assistance to improve the ability of those modes to move expanding production of coal and other necessary energy supplies, to market," he said.

In line with President Carter's desire to streamline and make federal government operation more efficient, Secretary Adams said he reorganized the Office of the Secretary to make it smaller, to eliminate organizational layering and duplication and to provide a mechanism for assessing the department's effectiveness.

That action, he said, along with the consolidation of the Materials Transportation Bureau and the Transportation Systems Center and certain operation and research functions formerly in the Office of the Secretary into the Research and Special Programs Directorate have resulted in reduced overall staffing.

Highlights of the fiscal year 1979 budget include:

- * Proposed highway and public transportation legislation to redirect the highway and public transportation programs and provide financing over a four-year authorization basis.

- * The total program level proposed for the Urban Mass Transportation Administration is \$2.86 billion -- more than \$100 million over the comparable '78 level. Included in this total are \$1.04 billion for urban discretionary grants and \$1.735 billion for urban formula grants.

- * An overall Coast Guard program level of \$1.55 billion, up \$157 million from FY 1978. Among the programs funded in this increase are the presidential and congressional initiatives related to oil pollution problems in the marine environment.

* A proposed Federal Aviation Administration program level of 3.09 billion, up \$304 million from 1978. Nearly all of this increase is related to the cost of operating, maintaining and improving the national air traffic control and air navigation system as well as a higher level of airport development grants.

* The total 1979 program level for the Federal Highway Administration is \$8.1 billion. Of this amount, \$7.8 billion is proposed for the federal-aid highway program.

* The National Highway Traffic Safety Administration program level funding is \$255 million, approximately the same as 1978. Most of this -- \$172 million -- is for the State and Community Highway Safety grant program. Under proposed legislation, up to \$40 million of this sum will be directed toward strengthening compliance with the national speed limit of 55 miles per hour.

* Proposed FY 79 program level for the Federal Railroad Administration exclusive of grants for Amtrak, is \$913 million. This amount includes strengthening FRA's railroad safety program by adding to the safety inspection staff, by continuing use of automated track inspection equipment and by providing grants to states for railroad safety enforcement. The budget for Amtrak grants amounts to \$660 million, of which \$510 million is for operating subsidies.

* For the St. Lawrence Seaway Development Corporation, the 1979 estimate of revenues is \$9.5 million, about \$1.1 more than 1978.

* The Office of the Secretary's proposed budget of \$45.8 million is \$14.8 million less than FY 1978 budget level. OST, through reorganization, has 796 fewer positions.

* The Research and Special Programs Directorate, created as a result of consolidation of the Materials Transportation Bureau, the Transportation Systems Center and certain operational and R&D programs formerly in the Office of the Secretary, has a proposed budget of \$24.4 million.

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U. S. Department of Transportation

news:

Office of Public Affairs

Washington, D.C. 20590



FOR 10AM RELEASE WEDNESDAY
January 25, 1978

ADAMS ENDORSES OBJECTIVES
OF ANTI-TERRORISM BILL

DOT 8-78
Contact: Howard Coan
Tel: (202) 426-4321

Secretary of Transportation Brock Adams today endorsed the objectives of a proposed anti-terrorism bill to protect U.S. citizens traveling abroad by commercial airliners.

In a statement prepared for a Senate Governmental Affairs Committee hearing on proposed anti-terrorism legislation, Adams also said he had directed the department's Federal Aviation Administration to identify foreign airports which present the worst security problems.

"I have requested security inspections of the U.S. and pertinent foreign air carrier operations at those airports to identify any security weaknesses, so we can obtain the necessary improvements," he said.

The Secretary urged early passage of a measure that would bring U.S. domestic law into accord with a new international treaty--the Montreal Sabotage Convention--and provide additional penalties against people boarding aircraft with weapons.

The FAA's technical assistance for foreign aviation officials and inspection visits by FAA officials to most major foreign airports have improved security at these airports, the Secretary said, but he stressed international air security problems are not easily solved. The solutions must take into account basic sovereignty, national traditions and local habits, he said.

Adams continued, "The task is further complicated by the fact that we are facing trained and dedicated terrorist forces that will attempt again and again to penetrate the system."

Last year there were 30 scheduled airline hijackings, Adams said, almost double the 1976 total and more than in any year since the 1968-72 peak in worldwide hijackings.

He said this country has urged the International Civil Aviation Organization to adopt an international security measure which would require screening of all passengers and carry-on items on all flights at all times. He told the committee that 21 of the 25 foreign air carrier hijackings during 1977 were caused by weakness in passenger screening procedures, and weapons used in the incidents should have been detected by this screening.

In contrast, no U.S. hijackings since 1973 resulted from real firearms or explosives passing undetected through passenger screening points, the Secretary said.

Secretary Adams noted, "Most nations and most airlines of the world now have active civil aviation security programs in place and are making significant improvements in the security of their air transportation systems. The U.S. has led this movement through technical assistance, guidance and motivation for those countries who have not had experience in the field."

In further discussions of the bill's specific provisions, Adams said he had reservations about the United States listing foreign airports with inadequate security provisions. He noted that the list might give inaccurate information, could imply that all airports not named are safe and might even provide terrorists with details about security deficiencies of the listed airports.

Adams reminded the Governmental Affairs Committee that FAA security regulations currently cover 36 U.S. and 73 foreign airlines operating 15,000 scheduled passenger flights every day in and out of 620 U.S. and foreign airports carrying 585,000 passengers and 800,000 pieces of hand baggage.

Even with all the vast complexities involved in the system, he said the current security measures "afford air travelers a level of security unmatched in any other type of travel."

U.S. DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Washington, D.C. 20590

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Office of Public Affairs
Washington, D.C. 20590

FOR RELEASE WEDNESDAY
January 25, 1978

DOT 9-78
Contact: Jerry Clingerman
Tel: (202) 426-4321

DOT RECOMMENDS STANDARDS TO REDUCE COSTS, SPEED UP MOTOR CARRIER ENTRY APPLICATIONS

The U.S. Department of Transportation has recommended standards to reduce the cost and speed up the proceedings of applications by motor carriers seeking to provide new or improved service to shippers.

The department recommendations were made in written comments submitted by DOT General Counsel Linda Heller Kamm to the Interstate Commerce Commission regarding the ICC's rulemaking on protest standards.

In the comments, Kamm notes that DOT's recommended standards would "reduce or eliminate frivolous and automatic protests" by opposing motor carriers attempting to prevent the potentially competitive service.

She cited statements heard by the Administration task force studying motor carrier regulation, and by ICC field hearings regarding the time and expense involved in making and completing an entry application.

"We have heard statements that it frequently takes an applicant more than \$50,000 and two years to pursue an entry application to its conclusion. Even then, of course, the application may be denied," Kamm said.

She added that "Barriers of this kind are unreasonable, unfair and unnecessary. They preclude any but financially secure and regulation-wise applicants from even attempting new entry."

DOT recommendations include:

* That there be a presumption that a proposed service is required by the public convenience and necessity if: (1) the applicant proposes a new service; (2) the service would be performed at a lower rate; (3) the service would be to a rural area; or (4) only one or a few carriers are now providing the proposed service.

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* That a protestant should be required to show: (1) that he has carried a minimum amount of the same traffic, under the same conditions, between the same points, within the last six months; (2) efforts made to serve shippers supporting the new entry application; and (3) the harm that would result to the protestant if the application is granted.

"Protest standards such as these will preclude assertion of dormant rights, reduce or eliminate frivolous protests and provide the commission with the information it needs to make a fair and accurate assessment of the need for the proposed service," Kamm said.

The general counsel said that "changes in protest standards are urgently needed and will benefit carriers, shippers, consumers and the commission itself. Therefore, we strongly urge the commission to proceed promptly to the next stage of this proceeding by publishing proposed standards for comment on an expedited basis."

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U.S. Department of Transportation news:



Office of Public Affairs
Washington, D.C. 20590

FOR RELEASE 8:00 P.M. EST
Thursday, January 26, 1978

DOT 10-78
Phone: (202) 426-4321

U.S. Secretary of Transportation Brock Adams today cautioned the rail industry that while many of the nation's railroads are quite profitable, "The condition of some marginal carriers is such that, unless corrected, the entire industry will ultimately suffer.

"The strong lines will be in danger of being dragged down by the weak links in the rail chain," he said. The Secretary cited the recent bankruptcy of a midwestern railroad as an example. He called for a revision of the midwestern rail network to produce a slimmed-down, more efficient system.

In remarks prepared for the Pittsburgh Traffic Club, Adams said, "I think we have before us the last opportunity for a private enterprise resolution of the Midwest rail problems."

For the near future of the midwestern lines, Adams said, "We foresee three possibilities. We can allow the bankrupt lines to be shut down. We can propose a federal takeover, or we can use the federal resources available to assist in a private sector solution by encouraging voluntary actions by the rail managements, state governments, shippers and labor to consolidate operations and redistribute or eliminate duplicate or uneconomic track." The Secretary said he favors the third resolution.

He termed inappropriate for the Midwest, the federal resolution of the recent Northeast rail situation which resulted in the creation of Conrail as a quasi-government railroad to serve the Northeast.

"There are several reasons why the formula for rescuing the freight railroads in the Northeast would be inappropriate in the Midwest," Adams explained. "The economies of the two regions are different." Also, the railroad structures are different, he noted.

"The Penn Central was far more dominant in the Northeast than any single carrier is in the Midwest. Seven other carriers representing nearly all the mileage in the Northeast also were in bankruptcy. Moreover, in the congested Northeast, a manufacturer is often dependent on a single rail line, with few, if any, other shippers using that same line.

"In the Midwest, on the other hand, shippers may have the choice of several lines," he said.

Adams listed several reasons why remedial action to strengthen railroads in the Midwest should be taken, including:

- * The underlying markets in the Midwest are strong.
- * Shippers want better service than they are getting from the marginal carriers.
- * As much as 20 percent of the track can be excised or reduced in level without seriously affecting service.

Adams also gave Traffic Club members a preliminary look at a DOT rail policy capital needs study, scheduled for release next month.

Adams said the study, required by the Railroad Revitalization and Regulatory Reform Act of 1976, took a look at the railroad industry's long-range problems and prospects from three standpoints:

- * The railroad's capital needs through 1985 and what role the federal government should play in helping the industry meet those needs.
- * The condition of the industry, together with the possibilities for improvements.
- * The effect federal policies toward other modes may have on the railroads.

"Our findings confirm previous diagnosis of the U.S. rail system's most troubling problems. Reduced to the basic common denominators, they are," he said: "(1) a failure to change with the times, (2) a surplus of facilities, and (3) maintaining light density lines at too high a level of activity for the revenues they produce."

The Secretary said the main message of the report is the necessity for change, including:

- * In the way the railroads are regulated, so that all modes are treated the same;
- * In government investment policy toward competing modes;
- * In the physical structure and configuration of the rail network; and
- * In the ways the railroads operate.

Secretary Adams said he disagrees with those who claim the railroad transportation era is coming to an end. "There are problems - yes. But they are problems that can be cured. I think it is clear that the railroads have proved that they are essential to a sound transportation system," he said.

U. S. Department of Transportation

news:

Office of Public Affairs

Washington, D.C. 20590



FOR IMMEDIATE RELEASE
JANUARY 26, 1978

DOT 11-78
Phone: (202) 426-4321

President Carter today sent to Congress a legislative proposal to provide more than \$50 billion over the next five years for highway construction and public transportation development.

The legislation is designed to give city, county and state officials greater flexibility to meet transportation priorities, and it redirects transportation planning toward meeting the challenges of energy scarcity and national social objectives.

The highway and public transportation legislative proposal would:

- Equalize federal funding levels for public transportation and highway programs so that decisions are not made simply on the availability of federal money.
- Simplify existing funding categories and increase the flexibility of their use.
- Establish regular and predictable funding sources for meeting the Nation's public transportation needs.
- Extend the life of the Highway Trust Fund for four more years.
- Create a single transportation planning program treating all modes evenly.
- Expedite the completion of the essential gaps in the Interstate highway system.
- Establish a rural and small urban transportation program.

"The proposal the President is transmitting today puts new priorities on the conservation of scarce resources, completion of the Interstate system and the compatible development of both rural and urban transportation," Secretary of Transportation Brock Adams said. "It is legislation that assures the sufficiency and integrity of our transportation system, and at the same time serves national energy and social objectives.

"In the past," the Secretary said, "we spent federal tax funds to expand transportation. The Interstate system -- more than 90 percent of which is now open to traffic -- testifies to the success of that effort. Now we must redirect highway and public transportation programs toward making all our systems better, safer, longer-lasting and more efficient.

"This proposal" Adams said, "represents a transition from policies and programs appropriate to the formative years of our highway network to those better geared to an era of scarce, costly energy and growing urban needs."

The legislation, if approved by Congress, would direct the Secretary of Transportation to plan the consolidation of DOT's Federal Highway Administration and Urban Mass Transportation Administration, and possibly other DOT elements, into a single surface transportation agency.

Embracing ten major program areas including both public transportation and highway activities, the legislation proposed a \$10.94 billion authorization for fiscal year 1979, a moderate increase above the combined UMTA and FHWA authorizations for fiscal year 1978.

The authorization level would increase to \$11.055 billion in FY '80 and to \$11.62 billion and \$11.735 billion in FY '81 and '82 respectively.

A summary of the major provisions of the proposed legislation follows.

TRANSPORTATION PLANNING PROGRAM

The planning funds of the Federal Highway Administration and the Urban Mass Transportation Administration -- approximately \$130 million - will be consolidated to remove existing artificial barriers that restrict planning activities on the basis of the source of the planning grants. All transportation planning activities will be eligible for funding from the consolidated program. The federal share for planning grants will be 80 percent.

Most of the planning funds will be distributed under a formula to be developed by the Secretary, with a small portion retained for discretionary funding of more complex, costly or nationally significant projects.

Planning funds will go directly to metropolitan planning organizations (MPOs) in urban areas of one million or greater population. Other planning funds will be distributed to the states with a portion earmarked for MPOs in urban areas of 200,000 to one million population and a portion allocated to MPOs in urban areas of 50,000 to 200,000 population.

In addition to the present requirement for a transportation planning process in urban areas, a statewide planning process will be required after October 1, 1980.

The transportation plans and programs of metropolitan areas with populations of one million or more would be reviewed by the Secretary. That process will assure that transportation needs, air quality, energy conservation, environment, housing, land use and future development have been reasonably addressed.

INTERSTATE HIGHWAY PROGRAM

To accelerate the completion of the remaining essential gaps in the Interstate highway system, the apportionment formula will be changed from one based solely on the cost to complete the total system to one based 50 percent on the cost to complete essential gaps and 50 percent on the cost to complete the total system. Funds apportioned to states for the completion of gaps must be spent for that purpose, and, if not, will be reapportioned to other states with priority given to ready-to-build gaps.

States will be permitted to borrow from their following year's Interstate apportionment. The time period for which funds are available to each state will be shortened to two years, and lapsed funds will be allocated to other states with ready-to-build projects.

The legislation will change the present procedure whereby states withdrawing nonessential segments from the Interstate System receive equivalent funds for other federal-aid highway projects with a federal share of 70 percent, or, in the case of public transportation, 80 percent. A 90 percent federal share for both substitute highway and mass transit projects would be available.

A separate Interstate resurfacing, restoration and rehabilitation program will be continued with a revised apportionment formula that considers highway sections in use for more than five years and the miles traveled on those sections. The federal share will be 80 percent.

PRIMARY HIGHWAY PROGRAM

In order to increase the ability of the states to plan and construct a basic system of main roads, the legislation will consolidate seven highway programs into the existing primary program and increase the funding accordingly. The federal share will be increased from 70 percent to 80 percent.

States will be permitted to use up to 50 percent of the primary funds for other rural or urban highways or for mass transit investment.

URBAN HIGHWAYS

This program will consolidate five existing categorical programs and its funds will be used for any urban road or street not on the Interstate or Primary Systems. The funds will be apportioned on the basis of urban area population.

In the case of urban areas with populations of one million or more, the funds will be distributed to a recipient or recipients designated by agreement between the governor and local officials, instead of to the state, as is the present procedure.

For urban areas of 200,000 to one million population, the money will be allocated on a population basis, and for those between 50,000 and 200,000 population, on a fair and equitable basis.

Up to 50 percent of the urban highway funds may be transferred to the primary or small urban and rural programs. Officials in urban areas of 200,000 or more population must approve such a transfer from their attributable funds.

URBAN TRANSIT FORMULA PROGRAM

Under the existing assistance program formula transit grants are used primarily to offset transit system operating expenses and the discretionary grant program is the source of practically all federal capital assistance.

The Administration would broaden the transit formula grant program to make it the source of assistance for all routine capital activities, such as rolling stock replacement and system modernization, as well as for operating expenses. Routine capital projects will no longer be eligible for discretionary grants, except under emergency circumstances.

The formula grant program will also be the source of funds for commuter rail operating assistance and for assistance of the elderly and handicapped, and existing categorical programs for these purposes will be discontinued.

The present formula for apportioning transit grants considers only population and population density as factors for distribution of funds. The proposal would establish a new formula to reflect the expansion of the formula grant program based on the following factors:

25.5 percent -- population,

25.5 percent -- population weighted by a factor of density,

5.0 percent -- commuter rail train miles,

19.0 percent -- fixed guideway system route miles,

25.0 percent -- to be divided between replacement of buses and bus seat miles.

Grants will be made to designated recipients in urban areas of 200,000 or greater population, and to governors for distribution to urban areas with populations between 50,000 to 200,000. Grant funds may be retained by recipients for four years in order to meet the needs of larger capital projects in addition to annual needs.

Only those formula funds apportioned on the factors of population, population density and a part of the commuter train miles may be used for operating expenses, and the federal participation will be limited to 33.3 percent of an urban area's total operating costs.

Flexibility in the use of urban funds will be increased by permitting up to 50 percent of urban transit funds to be used on highway projects in urban areas.

URBAN TRANSIT DISCRETIONARY GRANT PROGRAM

The legislation will convert the discretionary program from one designed to fund most public transit capital needs to one intended primarily to assist major mass transportation capital investments such as the construction of new fixed guideway systems, the extension of existing systems, major bus acquisition programs and joint development projects. The governor, appropriate local officials and transit operators will designate jointly a single recipient to receive and dispense funds for a project eligible for discretionary funding.

The legislation provides the discretionary funds may also be used in the event of major local emergencies and to meet the added costs of introducing new technology into public transportation service.

SMALL URBAN AND RURAL TRANSPORTATION PROGRAM

The legislation consolidates existing highway and public transportation assistance programs for small urban and rural areas into a single program with funds to be distributed by formula.

Highway projects exclusive of the Primary and Interstate Systems and public transportation projects including -- for the first time -- operating assistance will be eligible for funding. The federal share for capital projects will be 80 percent and for operating assistance no more than 33.3 percent of total operating costs.

The dollars will be apportioned to each state by a formula containing the following factors:

50 percent -- small urban and rural population,

25 percent -- land area,

25 percent -- postal route mileage.

Money may be redistributed to other recipients within a state including state agencies, local governments and their agencies, nonprofit organizations and operators of public transportation services.

At least ten percent of a state's funds must be used for public transportation projects unless the Secretary finds a lower level is warranted.

Up to 50 percent of the funds may be transferred to projects in urban areas or for Primary system highway projects.

HIGHWAY SAFETY

The legislation consolidates six existing highway safety programs into a single grant program with a federal share of 80 percent.

Safety projects on all public roads will be eligible for assistance. At least 30 percent of the funds must be used on roads that are not a part of the federal-aid system, and at least 10 percent must be used to implement highway-related safety standards issued by the Secretary of Transportation.

BRIDGE REPLACEMENT AND REHABILITATION

The legislation will expand the existing bridge program to include rehabilitation as well as the replacement of bridges. Up to 30 percent of the funds could be used for bridges off the federal-aid highway system.

The federal share will be 80 percent and the allocation will be based on a priority listing of deficient bridges on the federal-aid system, plus a provision for off-system bridge funding.

Proposed Authorization Levels
(In millions of dollars)

	<u>Fiscal Years</u>					<u>5-Year Total</u>
	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	
Interstate	3,500	3,500	3,500	3,500	3,500	14,000
Interstate 3R	175	175	275	275		900
Primary	1,500	1,500	1,625	1,625		6,250
Urban Highways	700	700	750	750		2,900
Small Urban and Rural	786	796	856	866		3,304
Safety	500	500	525	525		2,050
Bridges	450	450	500	500		1,900
Misc. (FHWA)	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>		<u>756</u>
Subtotal (FHWA)	7,800	7,810	8,220	8,230	3,500	<u>35,560</u>
Discretionary Grants	640	690	740	790	840	3,700
Interstate Transfers (transit projects)	675	675	725	725	725	3,525
Urban Transit Formula Grants	1,735	1,785	1,835	1,885		7,240
Misc. (UMTA)	<u>90</u>	<u>95</u>	<u>100</u>	<u>105</u>		<u>390</u>
Subtotal (UMTA)	3,140	3,245	3,400	3,505	1,565	<u>14,855</u>
TOTAL	10,940	11,055	11,620	11,735	5,065	50,415

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U.S. Department of Transportation news:



Office of Public Affairs
Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Monday, January 30, 1978

DOT 1278
Phone: (202) 426-4321

Secretary of Transportation Brock Adams today strongly reaffirmed his support of Washington's Metro rail system.

The Secretary cited his former service as chairman of the House District of Columbia Subcommittee, during which he worked for federal financial support of the D.C. area subway system.

In rebutting charges that his enthusiasm for Metro has cooled, Secretary Adams said to the midwinter board meeting of the Federal City Council, "Nothing can be further from the truth ... I care about this region, its government, its people," he said, and that the area serves as a national example for local transportation planning and operation.

It is because of that concern, the Secretary said, that he has asked for a plan to determine which Metro routes will be built in what order and at what cost, and how they will be financed, including their operating deficits.

"What started out to be a \$2.5 billion, 100-mile network is now a 64-mile system costing an estimated \$3.8 to \$4.1 billion," Secretary Adams said. "Current estimates to complete the 99.7 mile system bring the total projected construction costs to \$5.8 billion," he said.

The estimates he has on debt service bring Metro's total cost to \$8.1 billion, exclusive of operating deficits estimated at between \$50 to \$100 million, Adams said.

Despite an additional federal share of \$1 billion, the Secretary said, "We are still short approximately \$800 million for construction alone.

"Construction costs continue to go up," the Secretary said. "We are confronted with operating deficits that are exceeding estimates. And we are working in an inflationary environment of growing cost pressures on local governments, causing increased competition for available funds."

It was for those reasons the Secretary said he created a task force of OMB and DOT officials to work with Metro to create a plan that will:

- * Stipulate the total capital cost for each additional rail segment recommended for construction beyond the present 60-mile system, along with the proposed local share;

- * Indicate the effect on total bus and rail operating costs of each addition, together with deficit projections and their funding;

- * Propose a method for the payment of the bonded indebtedness already incurred by WMATA; and

- * Analyse the economic and social impact each segment of Metro would have on the minority or disadvantaged residents of the community.

"We do not support the Metro concept any less," Secretary Adams said, "but we have had to move from the world of planners and design engineers to system route proposals and the plans for construction of each. System recommendations and financing plans must be developed in tandem and presented together," he said.

"There are five distinct routes left to be built under the 100-mile plan," Secretary Adams pointed out. "Each has its own advantages and disadvantages. There is not enough money in sight now to fund all five," he said.

"There is no magic wishing well where the money can be found for the asking," the Secretary said. "We must proceed in effectively and efficiently weighing our options, setting our priorities, investing where it makes the most sense and accepting the financial consequences of our decisions."

Adams commented that ultimately the concept of a regional transit tax, as proposed by the Federal City Council, must be adopted.

In addressing another Washington transportation problem -- the Visitors Center at Union Station, the Secretary said:

"I can assure you that our plans call for the joint use of the facility by Amtrak and the National Visitors Center in a manner acceptable to both; completion of the parking garage to accommodate 1,400 cars; and some additional construction to improve access and traffic flow. We also have looked at and budgeted for the rehabilitation work needed to repair the structure itself, involving the heating and electrical systems and repairs to the roof."

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