

U.S. Department of Transportation news:



Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

FOR RELEASE THURSDAY
August 2, 1979

DOT 88-79
Contact: Howard Coan
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DOT REPORT TRACKS TRENDS IN TRANSPORTATION FUNDING

The emphasis of federal transportation spending shifted dramatically in the 1957-75 period, away from highway construction in rural areas toward mass transit improvements in the cities and suburbs, the Department of Transportation reports.

A new DOT study shows that federal aid for mass transit, which began in 1963 at \$3 million, rose by 1975 to \$834 million, about 10 percent of total transportation spending.

Meanwhile, federal expenditures for highway construction and improvements, representing about 75 percent of total transportation outlays through 1970, declined to 58 percent by 1975, the last year covered in the study.

Total federal transportation expenditures also climbed sharply from \$1.5 billion in 1957 to about \$8.3 billion in 1975.

Rural areas received 58 cents of every federal transportation dollar in 1957, compared to 44 cents for urban areas. By 1975, the cities and suburbs were getting 65 cents of that dollar and the rural areas only 35 cents.

This information is contained in the DOT report entitled, "Trends in Federal Domestic Transportation Programs, Revenues and Expenditures," issued by the Assistant Secretary for Policy and International Affairs, updating a 1974 report. A revised version will be released every two years to ensure its usefulness in transportation planning and policy development.

The 87-page report gives the revenue and spending data by state for the 1957-75 fiscal years.

The DOT study includes information on expenditures for capital and operating programs in highways, mass transit, airports, air navigation and traffic control, domestic air carrier subsidies, domestic water navigation improvements and railroad rehabilitation. Spending for research and development, planning and administration is excluded from the report.

The report also lists the revenues generated by the Highway Trust Fund and the Airport and Airway Trust Fund.

The Highway Trust Fund, established in 1957, marked "a major milestone in modern federal involvement in transportation," the DOT report says. Before that time, federal expenditures on transportation programs, although vital, were relatively small.

The trust fund, which is collected directly from highway users largely through a gasoline and diesel fuel tax, pays the federal share of all federal-aid highway programs, including construction of the 42,500-mile interstate highway system. Its revenues rose from about \$1.5 billion in 1957 to nearly \$6.2 billion in 1975, partly because of a federal fuel tax increase in 1959, from three to four cents a gallon.

Another major change in the federal commitment to transportation came in 1958, the report states, when the Federal Aviation Administration was established, giving significant boosts to the airport and airways programs. Spending on airports increased by almost 10 times during the 1957-75 period.

The states with the highest per capita growth in transportation spending for the period were, in order: West Virginia, District of Columbia, Connecticut, Louisiana, Georgia, Pennsylvania, Maryland, Massachusetts, Hawaii and New York. Some of them had relatively low spending levels in 1957, the report notes.

The report traces national transportation program changes during the period. Many programs also are examined on a geographical basis to show the changing patterns that have occurred between states, regions and urban and rural areas.

Copies of the report are available from the Office of the Assistant Secretary for Policy and International Affairs, Department of Transportation, Room 9222, 400 Seventh St., S.W., Washington, D.C. 20590. Phone: (202)426-9366.

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people have told DOT that the system often works better in theory than in practice. The policy review is aimed at finding out if the system can be improved.

Questions for which DOT seeks answers include:

° What opportunities do citizens in your area have to become involved in transportation planning? Are they adequate? How can they be improved?

° How are citizens informed about transportation plans?

° What should be the DOT role in fostering public participation at the state and local level?

Answers, comments, and suggestions should be sent to U.S. Department of Transportation, Office of Consumer Affairs, Room 9402, 400 Seventh Street, SW, Washington, DC 20590. Deadline for submitting comments is October 9, 1979.

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U.S. Department of Transportation

news:



Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

FOR RELEASE TUESDAY

August 7, 1979

DOT 90-79

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DOT CITES NEED FOR REFORM OF HOUSEHOLD MOVING INDUSTRY

The Department of Transportation has filed objections to the decision of an Interstate Commerce Commission administrative law judge to recommend licensing of a new firm in the household moving industry in only 18 states instead of the 46 states for which operating authority had been requested.

The objections were filed yesterday to the June 8 decision of Administrative Law Judge Warren C. White in acting on the application of Allstates Transworld Van Lines, Inc., to enter the household moving business in all states except Alaska, Vermont, New Hampshire and Hawaii.

DOT asserted that "the Judge erred as a matter of law in failing to consider the benefits to the public of additional competition in the nationwide household goods market."

DOT also objected to the requirement imposed by Judge White that the applicant present "need for service" evidence from shippers or agents in each state in which it had applied for authority to operate because no existing law requires this.

DOT reiterated its original argument that increased competition in the moving industry will expand price and service options for consumers, eliminate the monopoly and scarcity values of existing operating certificates, improve the industry's ability to meet peak period demands, preclude price discrimination and generally improve the quality of services the public receives.

"While eased entry requirements under the traditional public convenience and necessity criteria will have beneficial effects on consumers," DOT said, "we believe that more fundamental reforms are also necessary to make the industry more efficient and responsive to consumer needs."

Regulatory modernization will improve the moving industry in two fundamental ways, DOT said.

First, it will eliminate unnecessary and costly operating restrictions which waste fuel, lower labor productivity, impair the efficient use of equipment and reduce the level and quality of service provided.

Second, necessary entry and ratemaking reforms will increase the level of direct and potential competition in the household goods moving industry, leading to lower rates and expanded rate and service options for consumers.

DOT cited as evidence for the need for regulatory modernization the large number of complaints against regulated household movers and the widespread use of "do-it-yourself" moving alternatives.

DOT noted that of the 21,421 complaints lodged with the ICC in 1978 against regulated household movers, more than half were against firms protesting Allstates' application for operating authority.

Much of the "do-it-yourself" traffic could be recouped by for-hire carriers, DOT said. "However, because of inadequate competition in the industry, as well as specific economic regulations and operating restrictions, carriers are not compelled by market forces to offer good service at competitive rates. Until there is improved operating performance, many consumers will not consider using regulated carriage," DOT said.

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U.S. Department of Transportation news:



Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

FOR RELEASE MONDAY
August 13, 1979

CONSUMER ADVISORY

DOT 91-79

Contact: John Reistrup

Phone: (202) 426-4518

DOT ASKS FOR COMMENTS ON CITIZEN PARTICIPATION IN TRANSPORTATION PLANNING

The Department of Transportation is examining the need to improve citizen participation in planning of transportation projects backed by federal funds.

The first step was publication in the Aug. 9 Federal Register of an "Advance Notice of Proposed Policy on Citizen Participation in Transportation Planning," asking for comments and opinions.

After a period of 60 days for public comment, DOT will review the comments and suggestions. The Department plans to develop an expanded and strengthened policy if responses indicate one is needed.

DOT officials will also consult with national, state and local citizens' groups and individuals, as well as state and local officials. These consultations will take place around the United States, as well as in Washington.

The assessment is a follow-up to suggestions from many participants at the Department's Conference on Transportation and the Consumer, held in May, that DOT expand and improve opportunities for citizens to participate in transportation decisionmaking.

Although it is already Department policy to encourage effective citizen participation early in and throughout the process of transportation planning and development, many

U.S. Department of Transportation news:



Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

FOR RELEASE MONDAY
August 13, 1979

DOT 92-79

Contact: Mary Trullinger
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DOT AWARDS \$2 MILLION TO SUPPORT RIDESHARING

Acting Secretary of Transportation W. Graham Claytor, Jr. today announced grants totalling \$2 million for 17 projects in 16 states to demonstrate the effectiveness of ridesharing -- carpooling and vanpooling -- to reduce the nation's consumption of gasoline.

"President Carter has asked all Americans to join in fighting the energy war, and one of the most potentially productive battlegrounds is the daily trip to work," Secretary Claytor said.

"The National Ridesharing and Demonstration Program being kicked off today directly supports the President's appeal," Claytor said. "The program is designed to increase the opportunity for ridesharing and demonstrate its benefits."

As an example of the great fuel-saving potential of ridesharing programs, Claytor pointed to a recently announced van-leasing program sponsored by the California Department of Transportation,

The program's goal of putting 15,000 persons in 1,000 vanpools could save seven million gallons of gasoline over two years, Claytor said.

"One of the most direct routes to the President's goal of U.S. energy self-sufficiency," Secretary Claytor said, "is the more efficient use of our highways and vehicles now dominated by the lone driver."

The \$2 million in grants announced today will result in an expenditure of \$6 million on the demonstration program. For each \$1 in federal grant funds the project sponsors must commit \$2 in regularly apportioned federal-aid highway construction or mass transit funds.

In total, the \$6 million demonstration program will explore a broad range of incentives for ridesharing and increased use of mass transit.

The largest grant, \$190,000, goes to the Tri-Met Transportation District, Portland, Ore., for a project to expand an existing ridesharing program by offering such incentives as transit passes subsidized by employers and special parking rates for carpools.

The city of Lincoln, Neb., will use a \$20,000 grant to study the feasibility of using neighborhood associations, real estate developers and salesmen to promote ridesharing in urban areas not served by mass transit.

With a \$33,000 grant, San Antonio, Texas, will develop personalized ridesharing programs in ten neighborhoods using shopping centers as park and ride locations.

The Tidewater Regional Transportation District in the Norfolk, Va., area will test the applicability of shared-ride taxi service, either demand-responsive or fixed route, with a \$65,000 grant.

In Kentucky, the Regional Planning and Development Agency in Louisville will use a \$126,000 grant to alleviate traffic construction caused by bridge rebuilding with a project that includes high-occupancy vehicle lanes and extensive transit, carpool and vanpool marketing.

Secretary Claytor said that although DOT is unable to award all funds requested for ridesharing demonstration projects, 14 additional projects have been identified for possible future funding should additional money for the demonstration program become available.

At the same time Claytor pointed out that states are authorized by statute to use already allocated federal-aid highway construction funds for ridesharing programs, and that DOT's Federal Highway Administration is encouraging them to do so.

The grants announced today total \$1,975,875 and were awarded to: California, \$150,000 to Los Angeles and San Bernardino Counties; Colorado, \$120,000 to the State Department of Highways; Georgia, \$180,156 to the State Department of Transportation; Illinois, \$140,000 to the Chicago Regional Transit Authority; Kentucky, \$126,667 to the Louisville Regional Planning and Development Agency; Massachusetts, \$175,000 to the State Department of Public Works.

Also, Michigan, \$60,000 to the State Department of Transportation; Mississippi, \$33,334 to the Central Miss. Planning Commission and the City of Jackson; Nebraska, \$20,468 to the City of Lincoln; North Carolina, \$165,000 to the State Department of Transportation; Ohio, \$106,000 to the OKI Council of Governments; Oregon, \$190,000 to the Tri-Met Transportation District, Portland; Pennsylvania, \$150,000 to the Delaware Valley Regional Planning Commission.

Also, Texas, \$133,000 to the Metropolitan Transit Authority of Harris County; Texas, \$33,750 to the Energy Conservation Program, San Antonio; Virginia, \$65,000 to the Tidewater Regional Transportation District Commission; Washington, \$127,500 to the Seattle-King County Commuter Pool.

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U. S. Department of Transportation

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Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

FOR RELEASE WEDNESDAY
August 15, 1979

DOT 93-79

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CLAYTOR OFFERS TEXAS DEEPWATER PORT LICENSE

Acting Secretary of Transportation W. Graham Claytor Jr. today gave the state of Texas permission to build and operate an offshore deepwater port for oil supertankers, providing certain financing and antitrust conditions are met.

Claytor offered a license to the Texas Deepwater Port Authority to construct the facility in the Gulf of Mexico, 26 miles south of Freeport, Texas. The authority has until May 15 to accept the license.

Construction and operation of the proposed port will be in the national interest, Claytor said, "and consistent with national security and other national policy goals and objectives, including energy sufficiency and environmental quality."

A similar license for the same project under private ownership was issued by the Department of Transportation in January 1977 to Seadock, Inc. But that consortium of eight oil companies and one chemical company did not accept the license.

In his decision, Claytor declared that the Texas port will reduce significantly the environmental risks from imported oil and will lower transportation costs. The latest technology in pollution prevention and control will be used during construction and, later on, the possibility of oil spills resulting from offloading, transshipment or harbor collision will be reduced substantially, he said.

- more -

The \$800-million Texas port will permit large oil tankers that cannot enter U.S. harbors and channels to unload far offshore where the water is over 100 feet deep. The oil will be pumped through large pipelines buried in the sea floor to onshore terminals and refineries.

When the port is completed, it will have a peak capacity of 2.5 million barrels a day. In 1978, the United States imported 6.13 million barrels a day of foreign crude oil, 42 percent of the country's total needs.

Claytor noted he had issued the license with the provision that the Texas authority submit a satisfactory financing plan for approval. The state must demonstrate that it can finance the port's construction and operation because the projected future demand for imported oil "is less than it was at the time the Seadock application was being considered," Claytor said.

The authority will issue \$1.13 billion in revenue bonds to cover, among other items, the \$800-million construction cost and a \$50-million fund for oil spill liability and cleanup. Within five years after port operations begin, an additional \$75 million fund must be set aside for oil spill cleanup and damages.

In the "highly unlikely event that the funds do not prove sufficient," Claytor said the authority can raise its fees to meet increased revenue needs or, in the last instance, issue more bonds.

There is some question whether the Texas authority can accept liability for an oil spill under Texas law. Therefore, the license will not be effective, Claytor stated, until the Texas Attorney General certifies that the state agency can fulfill its license agreements and obligations, including oil spill liability.

To guard against possible antitrust violations by the Texas port, Claytor approved licensing restrictions recommended by the Justice Department and the Federal Trade Commission. Among its provisions, the license prohibits discrimination against any shipper in port use or the fee charged, requires any authority pipelines to be operated as common carriers, and says only three of the nine-member agency board can be affiliated with an oil company using the port.

In his decision, Claytor pointed out the United States will continue to depend, in part, on imported oil for the foreseeable future. Therefore, the development of a deepwater port is consistent with this nation's commitment to securing greater energy independence because it allows a buildup of petroleum reserves and enables the United States to receive supertankers, the most efficient vessels in the world tanker fleet.

The Texas port also will create 300-500 new jobs and business for contractors. Because of the affirmative action program required by the license, many of the jobs and contracts will be available to women and minorities.

The port will consist mainly of two offshore platforms, four single-point mooring buoys connected to the platform, and two 52-inch pipelines linking the platform complex to an inland terminal 31 miles away with a storage capacity of 22.5 million barrels.

The nation's first deepwater port is currently under construction by LOOP, a group of five oil companies, in the Gulf of Mexico 18 miles south of Grand Isle, La. LOOP accepted a license that had the same provisions as the one offered to Seadock.

Seadock eventually transferred all of its rights to the state of Texas. The Texas Deepwater Port Authority submitted an amended license application to DOT in August 1978 calling for public ownership and financing of the project. The new license has been tailored to fit the publicly owned Texas agency.

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U.S. Department of Transportation news:



Office of Assistant Secretary for Governmental and Public Affairs
Washington, D.C. 20590

FOR RELEASE TUESDAY
August 21, 1979

DOT 94-79
Contact: Howard Coan
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DOT BACKS BILL TO INCREASE INTERNATIONAL AIR COMPETITION

LAS VEGAS, NEV. -- The Department of Transportation supported today a proposed Senate bill designed to increase competition in international aviation.

DOT particularly backs those provisions in the bill which would abolish "outmoded differences" between the Civil Aeronautics Board's treatment of domestic and foreign air transportation, said Linda Heller Kamm, acting DOT Deputy Secretary and General Counsel, in testimony prepared for a hearing of the Senate Aviation subcommittee in Las Vegas, Nev.

"We feel, in general, that the bill will promote the implementation of U.S. international air transportation policy and thus enhance the quality and variety of the service available," Kamm said.

The Carter Administration has sought bilateral air agreements which provide for flexibility in pricing, routing and capacity, more carriers, and liberal charter rules, Kamm pointed out.

A policy statement on international air transportation negotiations, containing these pro-competitive principles, was issued in August 1978. The proposed legislation, called the International Air Transportation Competition Act of 1979, incorporates much of this policy. It was introduced last spring by Sen. Howard Cannon of Nevada, chairman of both the Commerce Committee and its aviation subcommittee.

Since that policy statement was issued, the United States has concluded new or significantly modified bilateral agreements with Germany, the Netherlands, Korea, Jamaica, Belgium, Thailand and Singapore. These agreements have resulted in lower fares, a variety of new service options and greater convenience for the public, Kamm noted.

She added that the Administration's pro-competitive air policies, where they have been put into effect, are working. "More people are traveling by air than ever before, and they are paying significantly less for the service," Kamm commented.

However, many countries remain reluctant to replace tight government regulation with competition, Kamm said. The Administration hopes that the success demonstrated in this country and in international markets where U.S. competitive policy has been implemented will "encourage the more cautious governments to consider our proposals more favorably."

Kamm offered the one-way fare between New York and Brussels -- a major European gateway -- as an example of the public benefits of increased competition. The lowest reserved seat fare available in July 1978 was \$477. Today, an economy-class ticket for the off-peak season will cost \$339, almost a one-third reduction. Even lower fares are available under a variety of discount prices, she said.

Kamm noted that an Administration position had not yet been established on the issue of whether foreign air carriers should be permitted to carry passengers between U.S. cities, a practice which is currently prohibited by law. DOT's view, she said, is that it should be allowed if a genuine emergency exists and travelers are stranded without any alternative means of transportation. However, any rights should be granted only when no other U.S. carrier space is available and limited specifically to the emergency period, Kamm emphasized.

Any more fundamental change, she said, would mean most countries would insist on this right as a condition for serious negotiations on a bilateral agreement. In fact, it might even encourage some foreign countries to request renegotiation of existing pro-competitive agreements, the DOT official said.

In addition, the entry of these foreign competitors would not provide any "important consumer benefits," Kamm noted.

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U.S. Department of Transportation news:



Office of Assistant Secretary for Governmental and Public Affairs

Washington, D.C. 20590

August 22, 1979

DOT 95-79

Contact: Bill Bishop

Phone : (202) 426-4321

Attached are background materials on the \$16.5 billion Transportation Energy Initiative announced today in Hoboken, New Jersey, by Vice President Walter Mondale.

Summary of Transportation Energy Initiative

The \$16.5 billion transportation energy program includes four major components:

	<u>10-year total (\$ in billions)</u>
1. Public Transportation Investment Program (increases funds for bus and rail mass transit projects)	13.00
2. Auto-Use Management Program (redirects existing highway funds by increasing Federal match for carpooling/vanpooling and other energy saving projects)	2.50
3. Fuel Economy Technology Assessment Program (for technology assessment efforts to support fuel economy improvements beyond 1985)	0.20
4. Basic Automotive Research Program (focuses on fundamental advances in scientific knowledge necessary for longer term improvements in auto technology)	0.80

Public Transportation Investment Program

-- Provides \$13.0 billion for capital investment in transit infrastructure.

. Adds \$900 million to current budget plans to bring programs up to authorized levels in 1980, 1981, 1982, and 1983. (Primarily for discretionary transit capital grant programs, including new starts.)

. Provides \$12.1B for the following activities:

	<u>10-year total (\$ in billions)</u>
+ Bus and Bus Related Facilities (funds would support expansion and improvement of bus fleets and facilities; consideration is being given to possible incentives to the intercity bus industry for service expansion)	5.0
+ Rail Modernization and Extension (funds would be used to expand and modernize existing mass transit rail systems and to finance route extensions)	5.4

10-year total
(\$ in billions)

- + Acceleration of New Rail Systems Already
Approved (funds would be applied to systems
already planned and committed) 0.9
- + Interstate Transfers (funds would be added
to General Fund appropriations to the extent
necessary to advance substitute transit
projects at the fastest possible pace) 0.8

-- Requires, as now, an analysis of alternatives (e.g., a subway vs. a surface trolley car vs. an express bus lane) but with special attention to evaluate and compare projects for their energy potential as well as transportation and community development benefits. Local discretion and application of program criteria will be key elements in the operation of the program.

Public Transit Funding
(Including UMTA Section 3, Section 5 (Buses),
and Interstate Substitutions)

10-year total
(\$ in billions)

Estimated appropriations without Energy Security Fund (assumes a growth rate of about 5% per annum)	27.5
Full Funding of Current FY 80-83 Authorizations from Energy Security Fund	0.9
Energy Security Fund Add-on	<u>12.1</u>
Total Federal Funds	40.5
Local/State Share 1980-1989	<u>9.5</u>
Total Program 1980-1989	\$50.0

Auto-Use Management Program

- Applies \$2.5 billion over ten years to achieve energy savings through better management of the existing fleet of automobiles and providing attractive alternatives to the use of the automobile.
- . Provides \$200 million per year in discretionary funds to support an increase in the existing Federal-Aid Highway Program matching

share from 75% to 90% for highway projects which encourage energy efficiency. As such, leverages more than \$1.0 billion annually available through Federal-Aid Highway Programs.

- + Provides for eligible projects which increase the efficient use of the auto (e.g., 55 mph enforcement or fuel economy inspections) or encourages an alternative to using the private auto (bicycle and pedestrian paths and facilities); ride-sharing, vanpooling, high occupancy lanes, flexible work hours.
- + Provides funds to establish a National Public Information Program to encourage energy conservation in transportation.
- . Establishes a separate discretionary grant program of \$50 million per year using only Energy Security Funds for the federal 90% share. Funds would be used to finance automobile projects that have particularly high energy saving potential.

Fuel Economy Technology Assessment

- Provides \$200 million to expand assessment and evaluate mid-term (1985-1995) technologies to support fuel economy improvements beyond 1985.
- Includes assessments of the feasibility of improved engines, drive trains and structural design; the development of fuel-efficient light truck and two passenger urban vehicle prototypes; and studies of the economic/market potential of more fuel efficient vehicles.

Basic Automotive Research

- Provides \$800 million for the federal share of the basic automotive research program approved in concept by President Carter in May 1979.
- Focuses on long-term basic research needs to foster fundamental advances in automotive technology for the 1990's and beyond to produce important, socially useful, non-patentable discoveries.
- Assures federal participation, with program and research responsibilities to be assigned based on agency expertise and capabilities.

Energy Savings

- In 1990 the combination of these program components can meet the President's goal of saving 250,000 barrels of oil per day within the transportation sector. Opportunities exist to nearly double these savings.

PUBLIC TRANSPORTATION INVESTMENT

BACKGROUND

Current and emerging energy shortages are leading to changes in American travel, work habits, and life styles. As seen this spring in many cities, including New York, Los Angeles, and Washington, D.C., Americans are making major shifts to mass transit and are increasing their use of other alternatives to the automobile. For the past two years, transit ridership has steadily increased nationwide, accompanied by expanded use of carpooling, vanpooling, bicycles, and other alternatives to the automobile.

There is already a deficiency in transit capacity to meet projected ridership without considering the potential added demand that future energy shortfalls will have on transit use. Our experience during recent fuel shortages has shown that even modest shifts away from the automobile can strain public transportation systems beyond capacity. With the prospect of continuing tight energy supplies, the lack of a coherent, efficient, and cost effective system of mass transportation makes the Nation vulnerable to serious social and economic dislocations should fuels become short.

PROGRAM OBJECTIVES

The Public Transportation Investment Program in addition to saving energy would increase transit capacity and improve reliability and service in order to:

- o accommodate short-term demands produced by energy shortfalls;
- o retain those transit riders who have switched to mass transit;
- o meet long-term ridership increases as auto-use management initiatives and land-use changes take effect;
- o make transit a more attractive alternative to the automobile; and
- o foster economic growth and center city revitalization.

PROGRAM DESCRIPTION/BENEFITS

The Public Transportation Investment Program will add \$13 billion over the next decade to increase public transportation capacity by up to 50 percent over current levels, accommodating up to an additional 15 million passengers per day. This will be achieved through increasing bus purchases by local public authorities, accelerating the pace of rail modernization and extension projects, and expediting completion of new rail starts which have already been approved. Funds will also be used to augment financing of public transportation projects substituted for Interstate highway segments, thus encouraging early local decisions to make such substitutions.

Major public transportation investments will be made in metropolitan areas which have adopted specific energy conservation targets, and in which the proposed investments are part of a comprehensive local energy conservation strategy. Each major project to be funded must be consistent with the local energy conservation program. Major elements of the Public Transportation Investment Program are detailed below:

Bus and Bus-Related Facilities (\$5.6 billion). In nearly all urban areas served by public transportation, bus systems are the only, or the predominant, form of service; in areas without public transportation, purchasing buses or other paratransit vehicles would be an essential first step to establishing a viable transit system. Funds would be used to purchase or renovate vehicles and related support equipment and facilities, improve reliability of service, enhance attractiveness and convenience, implement innovative methods and techniques, and initiate new systems. These incremental investments will place in service an additional 3,000 buses per year, with a resulting increase in capacity in 1990 of up to 10 million passengers per day. Consideration is being given to providing incentives to the intercity bus industry to expand service.

Rail Modernization and Extensions (\$5.7 billion). There is a compelling need for rehabilitation, modernization, and route extensions in most of our rail transit systems. Energy Security Funds would be used to accelerate modernization and extension projects in these systems. Specifically, this will include expanding fleet size; modernizing existing rapid transit, light rail, and commuter rail systems; replacing inefficient vehicles; encouraging the use of innovative methods and new technology; and, improving signalling, control, and track systems. These investments will add an average of 200 new rail cars per year above current plans and increase transit capacity in 1990 by up to 4 million passengers per day.

New Rail System Completions (\$0.9 billion). Rail transit systems play a major role in movement of people in those urban corridors where population densities, travel volumes, and development patterns have indicated a need for high capacity, high performance fixed guideway service as an alternative to automotive travel. Additional funds would aid in the acceleration of the completion of new rail transit or other fixed guideway projects which are already underway so that they may be operational by 1990. Downtown people mover systems also have a potential to provide a high level of service for central business district circulation, at lower life-cycle costs than conventional systems. Acceleration of the demonstration of DPM's would determine their feasibility

as an alternative to the automobile for downtown use.

Accelerating new start completions will add capacity for 500,000 passengers per day one year earlier than scheduled.

Interstate Transfers (\$0.8 billion). Provision of additional monies from the Energy Security Fund to augment limited general revenues would permit all transit projects substituted for withdrawn Interstate segments to proceed at the fastest possible pace. As the 1983 deadline for withdrawing Interstate segments approaches, this guaranteed funding would provide further incentive for localities to undertake energy efficient public transportation projects. This would result in 900,000 daily passengers.

FUNDING

The following table shows the effect of the proposed public transportation investments on the total federal program for mass transit.

Total 10-Year Capital Program for UMTA

(Includes Section 3, Section 5 (bus tier), and Interstate substitutions)

Estimated appropriations without Energy Security Fund	\$ 27.5 billion
Full funding of current FY 1980-1983 authorizations	+0.9 billion
Additional ESF funding	<u>+12.1 billion</u>
 Total Federal Share	 \$ 40.5 billion
Total Local/State Share	<u>9.5 billion</u>
Total 10-Year Program	\$50.0 billion

AUTO-USE MANAGEMENT

BACKGROUND

Over the past three decades the vast majority of Federal-aid investments in transportation has been dedicated to expanding highway capacity through major new construction efforts. While this extensive highway construction program has been successful in meeting Americans' growing mobility demands, it has accommodated inefficient, low-density suburban development patterns, which have led to our over-dependence on the automobile.

Currently, the private automobile consumes about 34 percent of our total petroleum, a very inefficient energy use due to our wasteful driving habits. There are two basic problems. First, we automatically turn to the automobile for almost all kinds of trips without consideration of other means of travel (fully 90% of all personal trips are made by car). Second, when we do drive, our automobile use is inefficient because capacity is wasted on such few passengers (average vehicle occupancy is 1.3 persons).

However, since the private automobile is responsible for such a large part of the energy problem, changes in its use hold great promise as part of the solution. If only relatively modest improvements can be brought about in driving patterns, dramatic energy savings can be realized.

PROGRAM OBJECTIVES

The goal of the Auto-Use Management Program is to generate substantial near-term energy savings through more sensible use of the private automobile. One objective is to increase the efficiency of automobile use by increasing the number of passengers carried per vehicle. Although the primary focus of carpool and vanpool programs will be on the peak-hour commuter trip, the practice of sharing rides will also be encouraged for other trip purposes, such as shopping and recreation.

A second objective is to reduce Americans' forced dependence on the private automobile by providing expanded alternatives for local travel. Alternatives to automobile use are provided by bike lanes on existing highways and streets, separated bike paths, secure bicycle parking facilities, and expanded pedestrian facilities.

A third objective is to increase fuel efficiency of automobiles in use by better enforcement of the 55 MPH speed limit, inclusion of fuel economy checks in vehicle inspection and maintenance programs, and education of the public concerning fuel economy.

PROGRAM DESCRIPTION

This program clearly demonstrates the changing priorities of the federal-aid highway program away from new physical construction towards better management of automobile use within the existing transportation system. Through the Highway Trust Fund, state and

local governments have massive funds (over \$3 billion available in 1980 for primary, secondary, and urban systems) to spend on a wide range of eligible transportation improvements. The proposed Auto-use Management Program would emphasize that energy conservation through better use of the existing fleet of automobiles is a priority objective of the entire highway program, by offering a strong incentive for auto-use management projects. \$200 million per year will be used as leverage to increase the federal match for auto-use management projects from the normal 75 percent to 90 percent. As states and local officials redefine their priorities, this incentive investment will leverage up to \$1.0 billion annually in redirected federal-aid funds. The effectiveness of similar leveraging techniques has been proven by recent success with the National Ridesharing Demonstration Program.

In addition to these incentive funds, \$50 million per year will be used for discretionary grants at a 90 percent match to foster innovative auto-use management strategies and to augment normal Federal-aid funds in areas where they may be deemed insufficient by the Secretary.

These incentive and discretionary funds will be available only to those states and cities that have adopted specific energy conservation targets and in which the proposed investments are part of a comprehensive energy conservation strategy. For each project to be funded, the justification must establish that the investment is consistent with the energy conservation plan and that the project can be expected to produce significant energy savings at a reasonable cost over its expected life, or reduce dependency on the automobile.

The following examples illustrate the types of projects which would be eligible for Auto-use Management Program funding:

Increasing Vehicle Occupancy

- o Carpool/vanpool matching systems.
- o Statewide and city-wide coordinators for carpool/vanpool programs.
- o Preferential carpool/vanpool lanes on existing facilities.
- o Preferential carpool/vanpool parking facilities.
- o Variable work hour programs.
- o Purchase of vehicles for vanpool programs.

Expanding Automobile Alternatives

- o Automobile-restricted zones.
- o Parking restrictions for low occupancy vehicles.
- o Bike lanes and bike paths.
- o Bike storage lockers and facilities.
- o Pedestrian improvements.

Measuring Compliance with 55 MPH Speed Limit

- o Acquisition of automated equipment.
- o Installation and hardware support services.

Promoting Fuel Economy Measures

- o Fuel economy monitoring equipment for vehicle inspection and maintenance programs.
- o Fuel economy education to encourage proper vehicle maintenance practices (e.g., tune-ups, tire pressure, etc.).

Supporting Transportation Contingency Planning

- o Coordinated local planning for providing essential transportation during fuel shortages.
- o Advance actions to enable immediate implementation of contingency plans (e.g., options on private parking facilities).

IMPACTS/BENEFITS

The rate at which this program produces energy savings is dependent upon the willingness of Americans to alter driving habits. A reasonable goal is to double the current number of commuters using carpools and vanpools by 1990. This change alone would result in a daily savings of 200,000 barrels of oil.

Energy savings will also accrue from shifts in travel from the automobile to other modes. A recent survey of 20 metropolitan areas revealed that 5 percent of all workers walked to work. Improving the pedestrian environment could easily increase this number by 1 or 2 percent, in addition to attracting more non-work walking trips to schools, shopping districts, and within neighborhoods.

Better enforcement of the 55 MPH speed limit and vehicle maintenance checks will improve operating efficiency and produce additional oil savings.

FUNDING

The Auto-Use Management Program would require \$250 million per year for a total of \$2.5 billion over the next decade.

FUEL ECONOMY TECHNOLOGY ASSESSMENT

BACKGROUND

To date, the most effective governmental initiative to conserve petroleum has been the implementation of the Department of Transportation's fuel economy standards. The present fuel economy standards program, which establishes 27.5 mpg as the 1985 standard, will reduce gasoline consumption by two million barrels/day by 1990 compared to 1977 fuel economy levels. However, obtaining additional progress beyond 1985 will require an accurate assessment of technological capabilities and production techniques.

PROGRAM OBJECTIVE

The Fuel Economy Technology Assessment Program would be designed to evaluate and apply the improved fuel economy technology that will be available in the 1985-1995 timeframe for the full range of motor vehicles and motor vehicle components to be produced. The resulting data and demonstrations will demonstrate to the consumer and the automobile industry what can be achieved with known technology.

PROGRAM DESCRIPTION

This program would complement ongoing DOT and DOE applied research programs as well as address other emerging requirements. The major areas of research would be:

Improved Engines and Drive Trains. To pursue promising developments in overcoming diesel engine emission and noise problems, test alternative combustion chamber designs for gasoline engines, and develop improved transmissions. (This work will be coordinated with DOE and EPA programs.)

Structural Design Improvements. To test the durability, producibility, and environmental impact of promising methods, materials, and designs to enable further reductions in vehicle weight.

Fuel Efficient Prototype Vehicles. To test these fuel conservation technologies in a complete vehicle to determine if all system requirements can be simultaneously met, if consumers will accept the product, and if benefits are commensurate with costs.

IMPACTS/BENEFITS

Fuel economy improvements are a very important element of an energy strategy. Each one mile per gallon improvement to the 1990 fleet could save 150,000 barrels per day.

FUNDING

The additional resources needed for the Fuel Economy Technology Assessment Program are \$200 million over the next decade.

BASIC AUTOMOTIVE RESEARCH

BACKGROUND

In 1977, the automobile industry expended only a very small fraction of its research and development dollars on basic research, for a variety of reasons as stated in the President's Science and Technology Message of March 1979. The automobile industry has concentrated its efforts and resources on applied technology to satisfy near-term federal standards for fuel economy, emission control, and safety, and to meet consumer demands. Relatively few incremental modifications have been made to the existing scientific knowledge base, which must be expanded to underpin the engineering for the automobile of the 1990's and beyond.

At the federal level, there has been only limited emphasis on basic automotive research. A number of federal statutes have directed government involvement in automotive technology, related to setting emission and safety standards and energy conservation policies. Current government automotive technology programs are primarily development and demonstration efforts focused on specific technological options for engines, emission control systems, safety systems, and alternative fuels.

In February 1979 the Secretary of Transportation convened a conference of 700 scientists and engineers from industry, academia, consumer groups, and government to consider (1) whether it is feasible through advanced technology to develop a total motor vehicle system which will depend less on imported oil than that mandated in the 1980's, while satisfying emission and safety requirements and remaining at a reasonable cost, and (2) the federal role in stimulating this advanced automotive technology. The consensus of the conferees was clearly that the United States can reduce its dependence on imported oil through automotive technology improvements and that the federal government should provide leadership in planning and funding a basic research program.

In May 1979 the President met with the leaders of the four domestic automotive manufacturers. The industry leaders agreed to work with federal officials to formulate a cooperative research program and report back in four months.

PROGRAM OBJECTIVE

The proposed Cooperative Automotive Research Program seeks to overcome decades of inattention to the need for replenishing the basic science and engineering foundations of automotive technology. It would develop a substantial body of basic research aimed at fundamentally improving automotive technology for the development of more fuel-efficient and socially acceptable automobiles during and beyond the 1990's.

The program will provide new sources of ideas and innovation by broadening the automotive research community. It will stimulate competition by making new ideas readily available at the same time it trains additional automotive scientists and engineers.

PROGRAM DESCRIPTION

The proposed Cooperative Automotive Research Program will involve joint industry-government funding and planning. A range of university, industry, and federal laboratories will perform the research to ensure independent sources of new ideas. Personnel exchanges among the laboratories will maintain the flow of information and the transfer of new engineering knowledge.

The major research areas identified at this time include the following technical disciplines:

- o Thermal and fluid sciences
- o Structural mechanics
- o Electrochemistry
- o Aerodynamics
- o Materials science and processing
- o Control systems
- o Friction and wear
- o Acoustics and vibration

Indepth analyses of research opportunities in each area and an inventory of on-going related research are underway. However, current work is focusing on planning to provide the administrative and technical framework for the program. A planning staff headed by the Research and Special Programs Administrator of the Department of Transportation and including participants from the domestic automotive manufacturers, the Department of Energy, the National Science Foundation, the Office of Science and Technology Policy, and leading universities is now formulating the cooperative plan. By September 15 the planning staff will have completed the development of a government-industry agreement on funding, program management, entry and exit into the program, and clarification of roles of participants. By December 1, the technical program plan and budget requirements will be available.

To facilitate interagency policy review of this automotive initiative, an Ad Hoc Committee on Automotive Research and Development of the Federal Coordinating Council for Science, Engineering and Technology has been established. The committee is co-chaired by the Department of Transportation and the Office of Science and Technology Policy and also includes representatives from the National Air and Space Administration, the Environmental Protection Agency, the National Science Foundation, the Office of Management and Budget, and the Departments of Energy, Defense and Justice.

IMPACTS/BENEFITS

The basic research program would expand the technological foundations for new engineering needed to improve fuel economy and produce socially acceptable automobiles for the 1990's and beyond. Incremental modifications to existing technology will enable the automobile industry to meet near-term requirements for energy conservation, but the long-term goal of decreased reliance on imported oil depends on fundamental technological advancements in automotive engineering and design.

FUNDING

The Energy Security Fund would provide \$800 million for the federal share of the new Cooperative Automotive Research Program over the next decade. Based on preliminary understandings, federal funding for this planned program will be matched by the domestic automobile industry, at least up to \$50 million annually.

U.S. Department of Transportation

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Office of Assistant Secretary for Governmental and Public Affairs



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DOT ASKS ICC TO REVISE GRAIN RAIL RATE RULES

The Department of Transportation has urged the Interstate Commerce Commission to allow railroads more flexibility in setting rates for grain shipments.

The department also urged the commission to institute a proceeding to consider the exemption from regulation of rail movements of grain and grain products. The ICC currently regulates the rates for the rail transportation of grains but truck and barge shipments of these commodities are unregulated. This difference leads to periodic rail car shortages and surpluses depending on the level of demand, and puts the railroads at an unfair competitive disadvantage, DOT said.

Last March, the ICC exempted from regulation fresh fruits and vegetables transported by rail. The railroads have begun to develop the means to adjust their prices rapidly, DOT said. While setting flexible rates for grain could be more complicated, "the experience with perishables encourages us to believe it can be done," DOT added.

The department filed a brief with the ICC late Friday, Aug. 24, in response to the ICC's request for comments on proposed changes in setting grain rates for railroads.

DOT noted that railroads should be permitted to adopt the two-tier pricing system used by trucks and barges carrying grain. Under this arrangement, a shipper can sign a freight contract in advance, or wait to take advantage of the spot market, where freight rates fluctuate continually.

- more -

By using this two-tier system, DOT said, railroads could meet grain shippers' needs more effectively. The right to set higher rates in peak periods would be profitable for financially ailing railroads, and could enable these companies to buy additional rail cars for hauling grain, DOT pointed out.

DOT also declared that the ICC's policy of allowing railroads to set different freight rates for domestic grain shipments and grain for export should be continued.

The timing and the severity of the fluctuations of demand are greater in the export market than in the market within the United States. Any effort to change the present system by linking export and domestic freight rates, DOT noted, would limit a railroad's ability to set rates in peak shipping periods.

Railroads need flexibility and quick responsiveness in setting rates in the volatile world market for grain exports. Trucking and barge companies also are competing for grain hauling rights, which requires the railroads to have a pricing flexibility similar to those modes.

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