

# Federal Assistance For Public Transportation

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## INTRODUCTION

The U. S. Department of Transportation Urban Mass Transportation Administration (UMTA) program of financial assistance covers six separate categories of mass transit improvement: capital assistance, technical studies, demonstrations, research and development, managerial training, and university research and training.

UMTA made 185 new grants and added to 40 others during 1970. Federal grants and contracts totaled \$193,875,073 in 1970 and were augmented by local government and agency matching funds totaling \$109,369,910.

Nearly 82 percent of UMTA 1970 commitments were for 43 capital assistance grants totaling \$158,133,024. Capital grants provide up to  $\frac{2}{3}$  funding for new transit equipment such as buses and commuter rail cars, and also help cities to modernize their transit facilities. The other  $\frac{1}{3}$  of those costs must come from local financing. During 1970 new capital grants helped communities purchase 1995 new buses and 563 new commuter rail cars and upgraded transit facilities in 19 cities. Nine of the grants helped cities acquire private transit companies transferring their ownership and operation to local government control and preventing a collapse of each city's transit service.

The UMTA Assistance Act of 1970 calls for a \$10 billion 12-year program to expand and improve public transportation in cities and towns with budget authority of \$3.1 billion in FY 1971 for a 5-year period. The program level for FY 1972 is \$600 million and will provide for capital facilities grants of \$497 million.

In March 1971 President Nixon announced a proposal for a special revenue sharing program for transportation. The requested FY 1972 funding level is \$2.566 billion with \$525 million earmarked for expenditures for urban mass transit capital investment.

## EXAMPLES OF FUNDED PROJECTS

The following examples will illustrate the types of projects where federal assistance has been used.

A \$22,000 grant was made for a six-month technical study of public transportation in the Winston-Salem, North Carolina metropolitan area. The study will define capital and service improvements for the area. It will also look at the existing bus company and various ownership and management options. The first steps in developing a long-range program will be taken.

A federal technical study grant of \$39,866 was made to the Birmingham Regional Planning Commission in Alabama to study the feasibility of public ownership of existing transit facilities. The principal carrier in the urban area no longer considers it feasible to operate under private ownership.

In August 1970 a federal capital assistance grant of \$716,861 was made to the South Bend Public Transportation Corporation to assist in the purchase of thirty new 45-passenger diesel transit coaches, electric fare boxes, and land and buildings for a terminal facility. The net project cost of the improvement program is \$1,433,722. The grant representing  $\frac{1}{2}$  of the net project cost. An additional \$238,953 will be available when the region meets full legal planning requirements.

A capital assistance grant of \$94,712 was made by UMTA to San Buenaventura, California to pay  $\frac{1}{2}$  of the costs of purchasing seven new buses and 10 electric fare collection boxes. And additional UMTA grant of \$31,570 will be available to the city when it completes its mass transit planning requirements.

In January 1971 a federal grant of \$4.1 million was made to the San Antonio, Texas Transit System for a major five-year upgrading of the transit service in the San Antonio metropolitan area. The money is to be used to purchase new buses, bus passenger shelters, transit administration building and to improve bus yard facilities.

## ELIGIBILITY FOR UMTA CAPITAL GRANT FUNDS

Only public agencies are eligible as applicants for grants, however private transportation companies may participate in assisted projects through contractual arrangements with a public agency. Eligible public agencies include states, municipalities, public agencies and instrumental-

ities of one or more states, and public corporations, boards, and commissions established under state law.

If a community is to be eligible for  $\frac{2}{3}$  of the cost of the improvement to its transit system it must have completed all comprehensive and transportation planning requirements. However, if the comprehensive program for a coordinated transportation system is not completed at the time application for a grant is made, an emergency grant of 50 percent of the net project cost may be awarded. Urgent need for the grant must be shown. Severe deterioration of the transit system or impending discontinuation of service is usually not too difficult to prove to show urgent need for financial assistance. Comprehensive and transportation planning for the area must be underway. The transit development program must be under active preparation and arrangement for transport coordination must have been initiated. If the planning program is completed within three years of the date of the grant contract an additional grant of  $\frac{1}{6}$  of the sum may be made by UMTA.

#### APPLICATION PROCEDURE FOR FUNDS

The procedure of application for an UMTA capital grant includes two basic steps. The first step, after the initial informal contacts between the public agency seeking financial aid and UMTA, is the submission of a preliminary application which will give UMTA the detailed information on which to base an immediate decision about the availability of funds and the eligibility of the applicant. The preliminary application allows for a period of discussion between the applicant and UMTA to ease preparation of the final application, the second step in the procedure.

The preliminary application for a capital grant consists of a letter (original and five copies) addressed to the Urban Mass Transportation Administration, Department of Transportation, Washington, D. C. 20591, and signed by an authorized representative which:

1. Describes in detail the capital facilities or equipment for which the grant is desired.
2. Describes the transportation system in which the facilities or equipment will be used.
3. Describes the benefits to be derived from the facilities or equipment and relates these benefits to the transportation program for the urban area.
4. Estimates the total cost of the project.

5. Estimates what portion of the total cost of the project can be financed from revenues, identifies the source of the revenues, and indicates how such financing will be arranged.
6. Estimates what portion of the total cost of the project cannot be reasonably financed from revenues and indicates how the local share of this amount (at least  $\frac{1}{3}$  or  $\frac{1}{2}$ ) will be secured.
7. Describes efforts to obtain private revenue financing and any state or local actions which have been taken to provide financial or other assistance in the solution of urban mass transportation problems.
8. Describes the status of: (a) comprehensive planning for the development of the urban area, and (b) transportation planning undertaken to provide the basic framework of the urban mass transportation system and highway network for the area; and lists the areawide, subregional and local agencies responsible for comprehensive and transportation planning, and the state and metropolitan or regional clearinghouses notified of the application.
9. Describes the program which exists or is being developed for a unified or officially coordinated urban mass transportation system for the urban area.
10. Describes the arrangements which exist or will be made to insure satisfactory continuing public control over the operation or use of the facilities or equipment, whether publicly or privately operated.
11. Indicates whether or not the project will:
  - a) Adversely affect employees of the transportation system to be assisted or of other transportation systems in the urban area, and identifies the systems and labor unions involved.
  - b) Result in the relocation of families, individuals, business concerns, or non-profit organizations.
12. Includes a Draft Environmental Statement containing information concerning the "Protection of the Environment".

The preliminary application should be supported by any engineering, planning or financial reports which have prepared and are pertinent to the project.

Following review of the preliminary application, the Department of Transportation will advise the applicant concerning eligibility and the availability of funds and the procedure to be followed in preparing a final application. In most cases, a conference with the applicant will be requested before preparation of the final application is begun. A public hearing on the proposed project is required before the final application is submitted to UMTA.

More detailed information concerning the programs of UMTA can be obtained from the Urban Mass Transportation Administration, Department of Transportation, 400 7th Street, S. W., Washington, D. C. 20591.