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Regional Metro System

ADOPTED MARCH 1, 1968

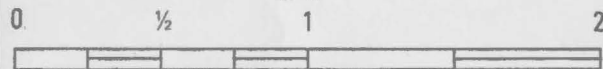
BY THE

WASHINGTON METROPOLITAN
AREA TRANSIT AUTHORITY

Revised February 7, 1969, June 11, 1970

LEGEND

- Subway..... 
- Surface..... 
- Future..... 
- Parking provided..... (P)
- Station & Name.....  Metro Center
- Car Storage & Inspection..... 



NOTE: Exact locations of stations, parking facilities and routes are subject to modification based on final planning, design and engineering. The indicated future extensions are preliminary only and are not included in the present financing plan for the system.

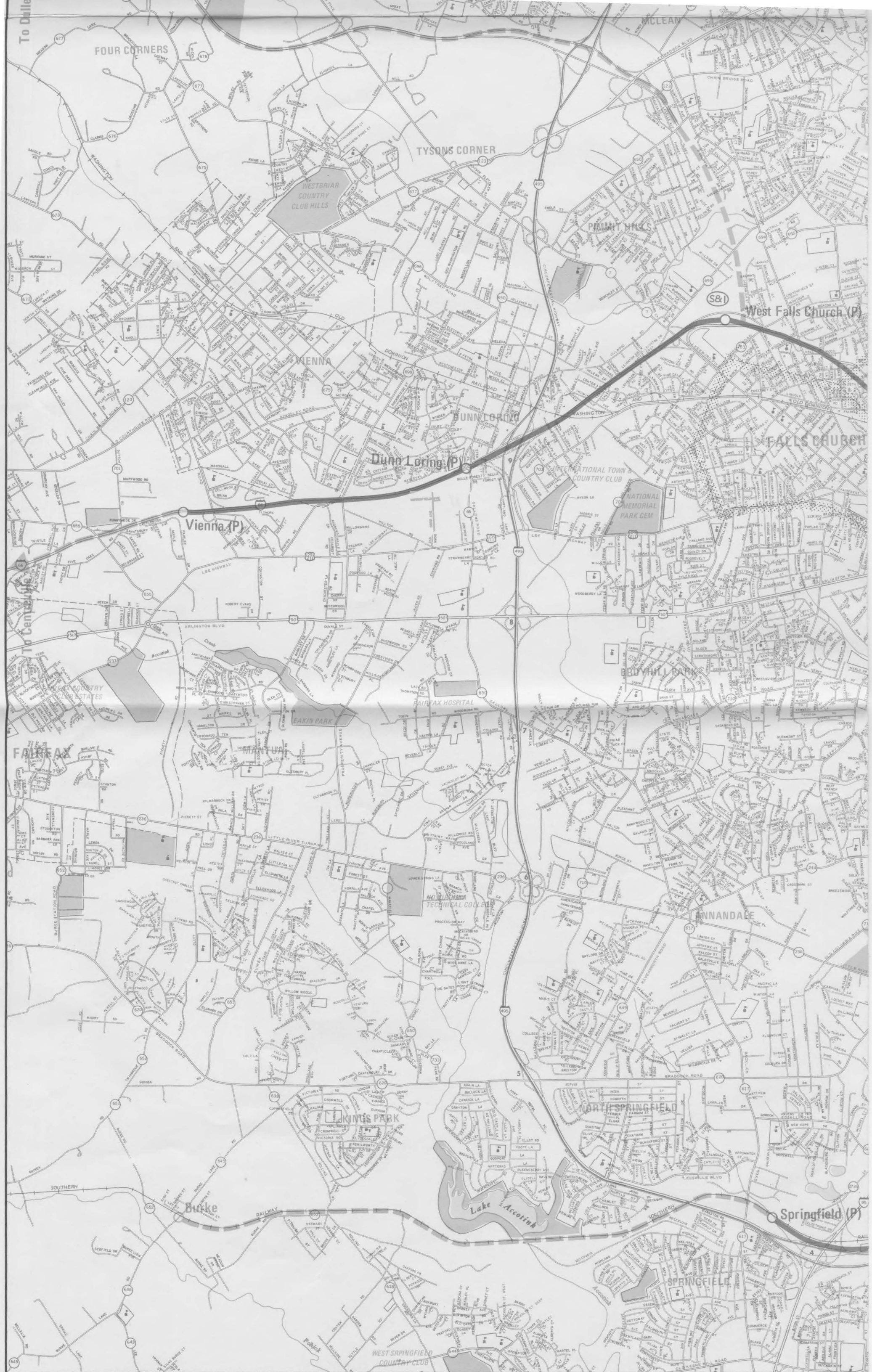
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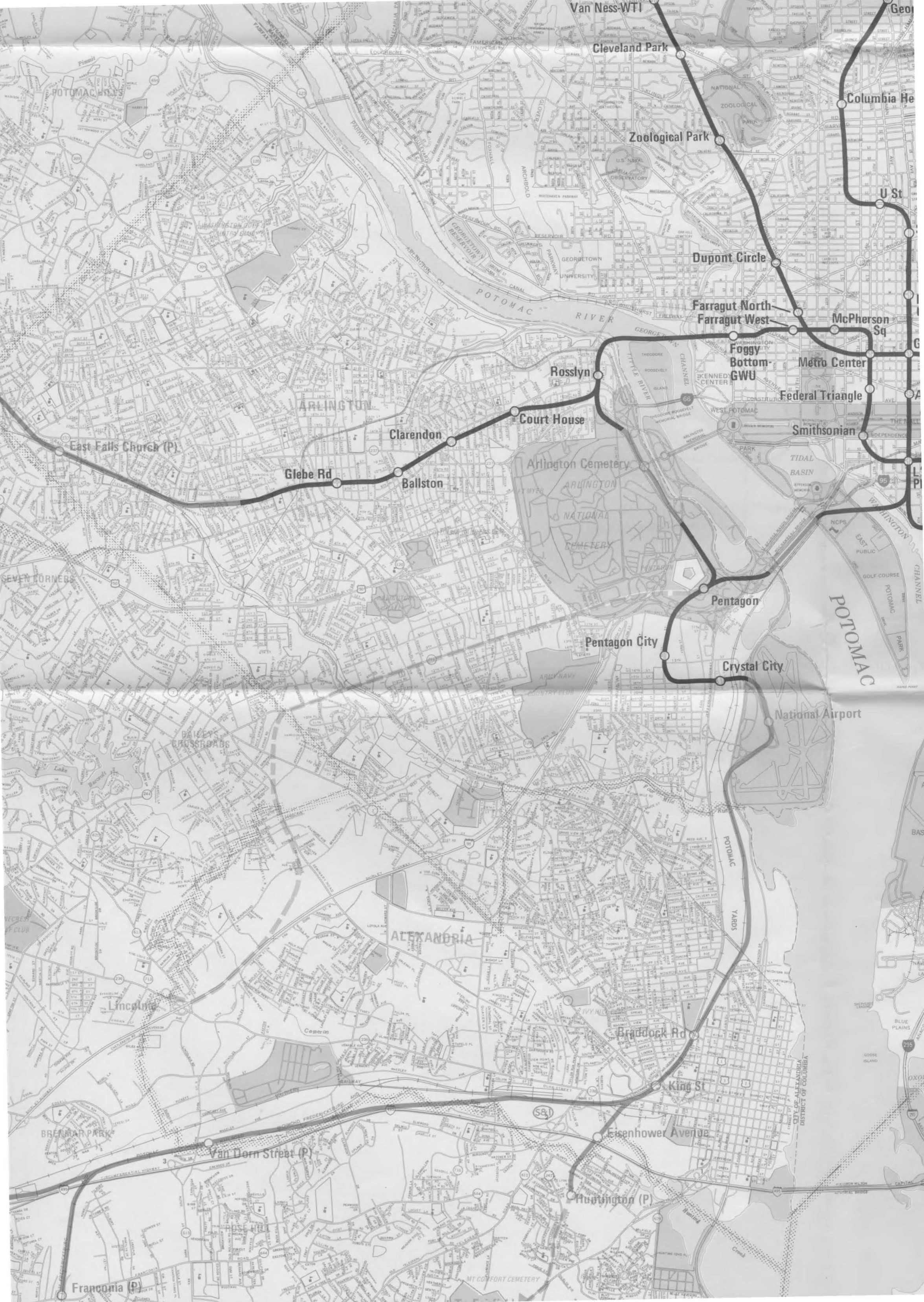
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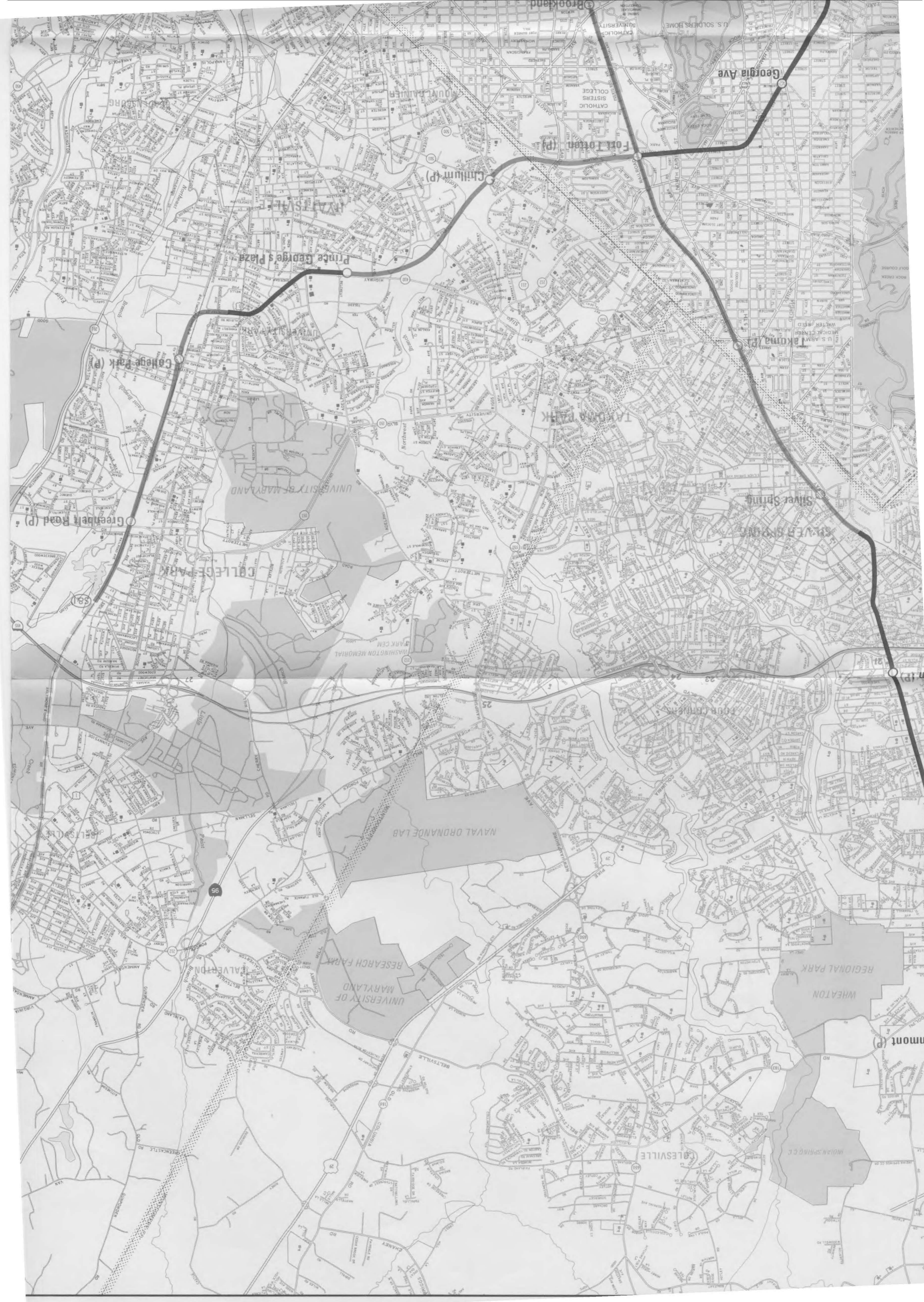


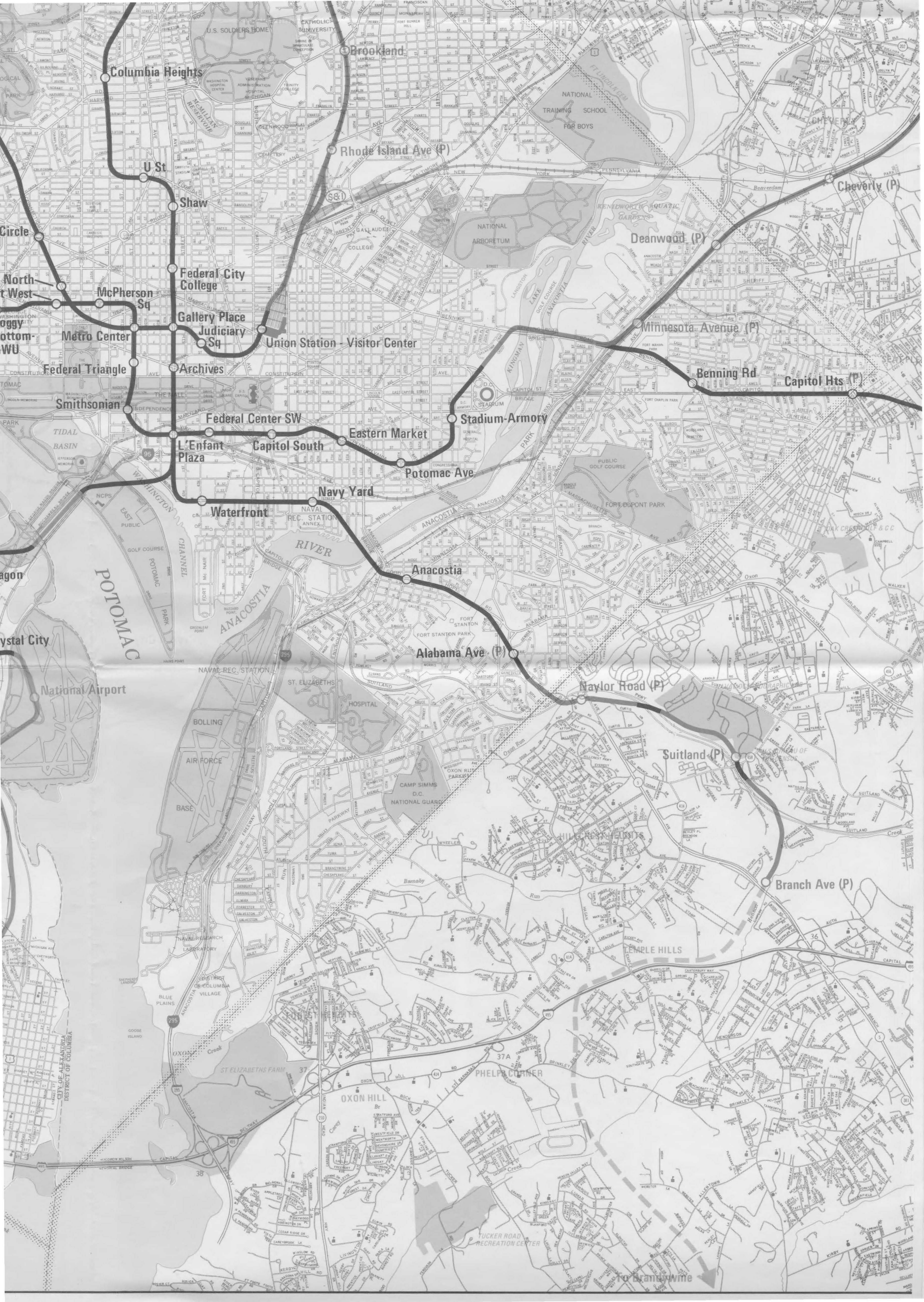
















New Carrollton (P)

S&I

LANHAM

Landover (P)

GLENARDEN

BRIGHT SEAT

NATIONAL HARMONY
MEMORIAL PARK

Largo

KOLBES CORNER

R M WATKINS
REGIONAL PARK

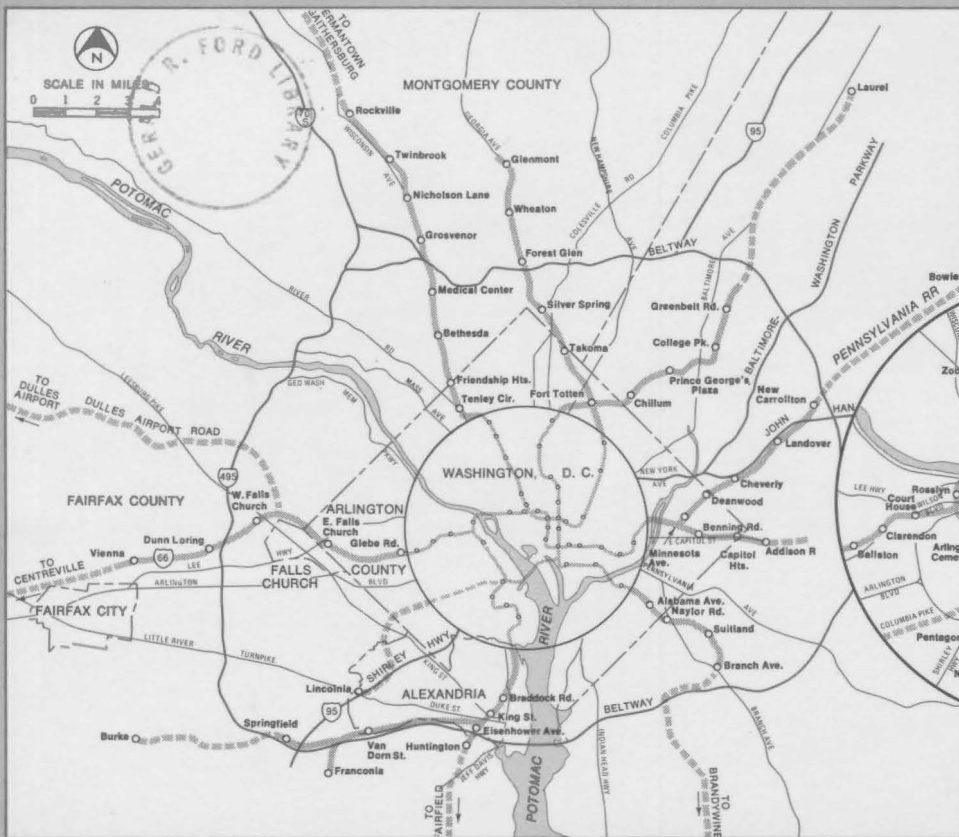
PRINCE GEORGES
COMMUNITY COLLEGE

Addison Rd (P)

RITCHIE

OAK GROVE

ALM HOUSE



REGIONAL RAPID RAIL TRANSIT SYSTEM

Adopted March 1968.

Revised February 1969 • June 1970

Authorized by Congress
December 1969.



M Washington
Metropolitan
Area Transit
Authority
metro

Typical Train Times between Stations
Peak Period Travel Times

	Metro Center	L'Enfant Plaza	Dupont Circle	Rosslyn	Pentagon	Capitol South
Rockville	26	31	23	29	35	33
Bethesda	14	19	11	18	24	22
Tenley Circle	10	15	7	13	19	17
Glenmont	22	24	25	29	28	28
Silver Spring	15	17	18	22	21	21
Fort Totten	10	12	14	18	17	16
Greenbelt Road	22	22	25	30	28	26
Columbia Heights	7	7	11	15	11	11
New Carrollton	23	19	27	29	26	17
Minnesota Avenue	14	10	18	20	17	8
Potomac Avenue	9	5	13	15	12	3
Branch Avenue	19	14	23	26	21	18
Anacostia	29	24	32	26	20	28
Franconia	29	24	32	26	20	28
Springfield	30	25	33	27	21	29
Huntington	22	19	22	16	13	23
Crystal City	12	7	13	6	3	11
Vienna	26	30	26	20	26	33
East Falls Church	15	19	15	9	15	22
Clarendon	9	13	9	2	9	15
Rosslyn	6	10	6	—	6	12

Washington Metropolitan Area Transit Authority
600 Fifth Street, N.W., Washington, D. C. 20001 ■ Telephone: 637-1234

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Bond Issues and Grants Needed to Meet Total Project Cost

(In Millions of Dollars)	
Total Cost of System*	2,980.2
Net Interest During Construction	66.3
Total Project Cost	3,046.5
Revenue Bond Issue**	(882.0)
District of Columbia Mid-city Alternate	(3.0)
Net Project Cost	2,161.5
Federal Share (two-thirds)	1,441.0
Grants	1,147.0
Interest Subsidy	294.0
Local Share (one-third)	720.5

*Includes escalation factor of 7% per annum

**Exclusive of funded bond reserve

Estimated Allocation of Required Member Grants

(In Millions of Dollars)	
Required Grants*	723.5
District of Columbia	269.7
Virginia	204.9
Alexandria	39.9
Arlington County	76.1
Fairfax County	84.7
Fairfax City	3.2
Falls Church	1.0
Maryland	248.9
Montgomery County	137.9
Prince George's County	111.0

*Includes \$3 million payment from District of Columbia for mid-city alternate alignment

Estimated Income Statement for 1990

(In Millions of Dollars)	
Total Fare Box Revenue	195.5
Non Fare Box Revenue	8.3
Adjusted Gross Revenue	203.8
Operating and Maintenance Expenses	(107.2)
Net Revenue Before Depreciation	96.6
Depreciation Expenses	(15.3)
Net Revenue After Depreciation	81.3



METRO

Regional Rapid Rail Transit System

Adopted March, 1968 ■ Revised February, 1969; June, 1970

Authorized by Congress December, 1969



ROUTE MILES

	Subway 47	Surface 51
District of Columbia	38.3	
Maryland		29.4
Prince George's County	13.6	
Montgomery County	15.8	
Virginia		30.3
Alexandria	6	
Arlington County	12.2	
Fairfax County	12.1	
TOTAL		98.0

STATIONS 86 (including 53 underground); 43 in the District of Columbia; 21 in Virginia; 22 in Maryland
VEHICLES 556 cars; 75 feet long, 10 feet wide, seating 81 with 94 standees; 35 mph average speed (including stops), 75 mph maximum

SERVICE Two-minute rush hour headways on main routes; four to eight minutes on branch lines. Operation daily from 5 a.m. to 1 a.m.

OPERATION Automatic train control system will regulate train speed and spacing, start and stop trains, operate doors, and monitor train performance. Operator can override electronics.

COORDINATION Extensive feeder bus network, auto and taxi lanes at stations; 30,100 parking spaces.

ESTIMATED COMPLETION DATE Initial service, 1975; completion of regional system, 1980.

ESTIMATED 1990 ANNUAL MASS TRANSIT PATRONAGE 352 million
ESTIMATED CAPITAL COST \$2.98 billion

METROBUS

Scope of operations

No. Routes	770
Scheduled Route Miles/Day	120,000
Avg. Weekday Trips	14,000
Avg. Trips Dispatched	99.9%
Avg. Trips Completed	99.1%
Passengers/Week	2.4 million
No. Buses	2015
No. Operators	3200
Rush Hours: 6:30-9:30 a.m.; 3:30-6:30 p.m.	
Base Day: 5-1 a.m.	
Owl Service 1-5 a.m.	

FRINGE PARKING LOTS

District of Columbia

South Capitol St. at Douglass Bridge
• Soldiers Home • Carter Barron •
RFK Stadium • Columbia Island

Maryland

Montgomery Mall • Rockville Pk. at
Montrose Rd. • Wheaton Plaza •
Prince George's Plaza • Eastover
Shopping Ctr. • Indian Head Hwy.
at Palmer Rd. • Bowie (Rt. 50 at
Rt. 197)

Virginia

Tyson's Corner • Springfield Plaza •
Shirley Plaza • East Falls Church
(Lee Hwy. at Wash. Blvd.) • Spring-
field Metro Station (Backlick N. of
I-495)

DIVISION OFFICES

(Tickets, Tokens, Senior Citizen I.D.
Cards)

Alexandria
4-Mile-Run—3501 S. Glebe Rd.,
Arlington
Royal Street—600 N. Royal St.,
Alexandria

Arlington—707 N. Randolph St.
Bladensburg—2250 26th St. N.E.
Northern—4615 14th St., N.W.
Prince George's—4421 Southern Ave.,
S.E.
Southeastern—17 M St., S.E.
Western—5230 Wisconsin Ave., N.W.

INFORMATION

Metrobus Headquarters	637-1234
Routes and Schedules	637-2437
Consumer Assistance	637-1328
Lost and Found	835-5191
Charter	637-1315
Race Track Sales	835-5100
Claims	637-1131

Present - METRO

6/16/75

Harry Diamond

Got to finish it - system
of moderate report

P 1) Think we ought to build
whole 98 miles

P 2) very disturbed by impact of
BSS system - has the
wheel down.

P 3) Disturbed at Con Fortney
procedures. Not actually
due to explosion

P 4)

Metro Force -



In
Highway Book x



TVfr -

Heed other states' warnings



THE WHITE HOUSE

WASHINGTON

January 7, 1976

MEMORANDUM FOR :

DICK CHENEY
PHIL BUCHEN
ROBERT T. HARTMANN
JACK MARSH
MAX FRIEDERSDORF
ALAN GREENSPAN
JIM LYNN
BILL SEIDMAN

FROM :

JIM CANNON

SUBJECT :

Coleman Proposal for Metropolitan
Transportation Program

*Jan 14 Kathy will
call 5 not in*



Attached for your review is a proposal by Secretary Coleman for the consolidation of current Federal assistance programs for highways and public transportation within metropolitan areas (Attachment A).

Secretary Coleman indicates that the increasing cost of highway construction and of public transportation facilities and operations, as well as the growing inter-relationship of transportation within the environment, land use and urban economic conditions, require that metropolitan areas integrate their highway and transit activities. Moreover, he indicates that for this integration to occur, Federal programs must be structured to allow local decision makers to apply Federal assistance in a way that best reflects local transportation needs and priorities.

The Federal Highway Assistance Act of 1973 began a trend toward greater integration by allowing the transfer of interstate funds to public transit purposes. In addition, recently issued DOT regulations have brought consistency to the UMTA and FHWA planning requirements. However, despite these efforts, the vast majority of highway and transit funding is still provided through separate grant programs. This situation tends to perpetuate the use of funds for a particular mode regardless of local needs and priorities, and does not effectively set the stage for local analysis of alternative transportation investments.

The proposal set forth by Secretary Coleman suggests that the combination of an apportioned block grant program and a discretionary grant fund for both highway and transit purposes would be more appropriate and more effective.

In your review, it is important to note that Secretary Coleman addresses several considerations in submitting his proposal:

1. That the detailed elements of the proposal (see attachment B) are tentative and will require additional analysis before "final" details are developed.
2. That, if adopted, this program should not involve any immediate organizational consolidation of UMTA and FHWA.
3. That consolidation of all transportation programs into a single, unified fund would be premature at this time, but that a "metropolitan" program would be a valuable precursor.
4. That we continue to recognize that the responsible and intelligent use of the automobile will remain the cornerstone of our passenger transportation system.
5. That this proposal could be accomplished within existing budgetary constraints.
6. That this proposal would be a helpful step toward energy conservation and employment opportunities in our urban areas.
7. That we recognize that adoption of this proposal will be particularly difficult given the recent passage of UMTA legislation, current Congressional Committee jurisdictional problems and the political sensitivity of 1976.

It is clear that before such a proposal can be put forth in detailed legislation, additional analysis will have to be conducted. However, it is necessary at this juncture to make a decision on whether this particular proposal is consistent with the President's desire for streamlining Federal programs and whether it merits inclusion in the State of the Union message or follow-up transportation message.

I would appreciate your comments by Monday, January 12.

RECOMMENDATION:

- _____ Include proposal in State of the Union and continue with additional analysis.
- _____ Include proposal in a separate transportation message and continue with analysis.
- _____ Delay formal consideration until more details are available.

Attachment



A.





THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

DEC 31 1975

MEMORANDUM FOR THE PRESIDENT

Subject: State of the Union Message: Metropolitan
Transportation Program

In seeking ways in which the objectives and policies of your Administration could be advanced more effectively in Federal transportation programs, we are developing several new initiatives for your consideration. After appropriate inter-departmental review, some of these initiatives could be included in a message to the Congress on transportation in the spring. We would like to work with your staff in finalizing initiatives for metropolitan and rural transportation, for maritime policy, for domestic and international aviation policy and for a coordinated Federal automobile strategy for inclusion in such a message.

One of these initiatives - a metropolitan transportation program - has reached the point already where you may wish to include a general reference to it in your State of the Union message. A more detailed outline of specifications would be included in the subsequent transportation message, accompanied by proposed legislation.

This metropolitan transportation initiative would establish a new Federal policy for the development and operation of metropolitan transportation systems (highway, commuter rail, mass transit and the private automobile). The policy would emphasize local initiative and innovation, metropolitan-wide planning, and program flexibility and would enable communities to design efficient, interrelated solutions to urban and suburban transportation needs. This would be accomplished within existing budget constraints and within the existing DOT organizational structure. As we agreed in our recent meeting, the organizational issue requires further study. This proposal is consistent with that agreement.



A tentative outline of the proposed metropolitan transportation program is set forth in greater detail in the enclosure, which also notes several issues that need to be addressed and resolved before detailed specifications are finalized. The key elements of the proposed program are:

- o A clear definition of Federal policy, emphasizing energy conservation; the socially responsible and intelligent use of the automobile; fiscal responsibility and shared Federal-local financial participation; expanding and facilitating employment opportunity; providing accessible transportation for all citizens; and promoting more efficient regional transportation systems that will alleviate traffic congestion, help revive city centers, improve urban-suburban commuting, facilitate intra-suburban circulation, and enhance environmental quality and rational land utilization.
- o A formula apportioned block grant for use in urbanized areas for highway and transit improvements.
- o A set-aside of a portion of the block grant funds to finance demonstration projects and incentive payments to States and localities to encourage more efficient use of existing transportation facilities and energy conservation.
- o A discretionary fund available to assist construction of major new highways or fixed guideway transit projects.

The purpose of this memorandum is to suggest the inclusion of general language on the program in the State of the Union address. You may want to consider the following pros and cons in reaching this preliminary decision.



PROS

- represents an innovative, positive program for metropolitan (urban) areas, including city centers and suburbia, benefiting over 70 percent of the population;
- supports your objectives of less complex Federal regulation and interference and increased local decision authority and flexibility by consolidating some of the existing categorical programs for highways and mass transit, allowing local officials to choose between modes;
- promotes your objectives and policies through incentives to expand employment, conserve energy, utilize existing facilities more efficiently and cost-effectively, use the auto more responsibly, and broaden the base of local financial support;
- fosters more careful local, regional and State planning by reducing uncertainty about the future availability of Federal assistance; and,
- may be accomplished within existing budget restraints.

CONS

- program integration is not popular with vested modal interests and in the Congress, where efforts to introduce greater flexibility in the Administration's highway bill have been unsuccessful;
- support of general purpose government and other interests may not be forthcoming if there are no additional resources committed to the program;
- it may be premature to announce a program before the details are worked out, members of Congress and interest groups consulted, and certain major issues are resolved (e.g., whether trust funded or general revenue funded); and



- announcement of a metropolitan initiative without reference to comparable initiatives for rural and interstate transportation may be inappropriate, particularly if a unified transportation program may be developed later that will include a metropolitan component.

I recommend that you declare in the State of the Union address a commitment to seeking innovative ways of meeting metropolitan transportation needs. Suggested language is enclosed.

SIGNED BY

WILLIAM T. COLEMAN, JR.

William T. Coleman, Jr.

Enclosures



B.



TENTATIVE

METROPOLITAN AREA (URBAN AND SUBURBAN) TRANSPORTATION POLICY AND PROGRAM

1. Objectives of the Program

Our metropolitan area transportation initiative (including programs for urban and suburban areas) would be premised on the following Administration policy and objectives:

-- We need a positive and innovative program for the Nation's metropolitan areas. Instead of subsidizing mismanagement, a metropolitan transportation program would provide incentives for the more efficient and cost-effective allocation of existing resources, providing for safe, fast, congestion-free transportation from suburbs to city-centers and within suburbia, benefiting over 70 percent of the Nation's population.

-- Metropolitan area transportation consumes about 25 percent of the Nation's oil. Much of this is waste resulting from congestion, the inefficient utilization of the automobile, and poor land use patterns in urban and suburban America. Such inefficiency has the further by-product of air and noise pollution, making our city centers less livable. A metropolitan transportation initiative is designed to promote energy and environmental conservation simultaneously and synergistically.

-- More efficient metropolitan transportation can do much to revitalize our city centers, important to the Nation's culture and economy.

-- Transportation construction, maintenance and operations provide badly needed jobs in metropolitan areas. This program would provide skills training and expanding job opportunities, particularly for the marginally employable.

-- The Federal government should support metropolitan-wide planning and decision making. Because transportation cuts across jurisdictional lines with less social upheaval than most issues and with the opportunity for mutual benefit, it should be at the forefront of metropolitan planning and program flexibility.



-- The escalating cost of transportation infrastructure requires Federal incentives to control costs, utilize existing capacity more efficiently, and use limited Federal funds more effectively. This program optimizes the use of Federal funds by requiring local participation and authorizing maximum program flexibility in choosing the most cost-effective transportation alternative.

-- The program would consolidate, rationalize and simplify Federal requirements and eliminate unnecessary conditions and overlapping or inconsistent regulations.

2. Elements of the Program

A. Formula-apportioned block grant program

The heart of the program would be a formula-apportioned block grant program with funds going to the States, except that funds would be passed through directly to urbanized areas of more than 200,000.

Apportioned funds could be used for a range of urban transportation uses including both highway and transit.

This program would subsume:

- all Federal highway assistance to urban areas except the first priority Interstate segments (essential to the Interstate network);
- all of the UMTA formula grant assistance (sec 5);
- that portion of the UMTA discretionary capital grant assistance (sec 3) which pertains to support for bus systems, rolling stock purchases and modernization of existing rail systems;
- UMTA and FHWA planning assistance to urban areas;



- construction, removal, consolidation or relocation of rail or other facilities for the movement of goods.

Apportioned funds could be used for the planning, construction, reconstruction and improvement of roadways and transitways (but not for basic highway maintenance); for acquisition, rehabilitation and maintenance of transit facilities, equipment and rolling stock; and for the payment of operating expenses of public and private transit operators (transit includes commuter rail).

The use of funds would be made subject to minimal restrictions designed to assure fiscal responsibility, such as:

- a percentage limitation (possibly 25 percent) on amounts which could be used for operating assistance;
- a percentage limitation on funds which could be used for a particular mode;
- a floor on the amount of funds to be devoted to public transportation;
- a floor to ensure adequate support for planning and research.

Eligible grant recipients would include local units of general purpose government and public mass transportation agencies. Funds allocated for transit purposes would have to be distributed in a fair and equitable manner among all providers of public transportation services, both publicly and privately owned.



Local share requirement would be 50 percent for operating expenses and 25 percent for all other expenses (including planning).

Applicants could request that up to 15 percent of any construction job opportunities created pursuant to the grant could be allocated to unemployed or underemployed persons at special wage scales, below prevailing wages, as approved by the Secretary of Labor.

B. Incentive Payments

Ten percent of each annual apportionment under the block grant program would be set aside in a Secretary's discretionary fund to finance demonstration projects and incentive payments to States and localities to encourage more efficient use of existing transportation systems, control of costs, greater conservation of energy, more rational use of the automobile, improved transit performance and productivity, and employment opportunities for the unemployed.

Eligibility for the incentive payments would be determined through the monitoring of Transportation Systems Management (TSM) plans and progress in their implementation, and through a national competition for innovative and fiscally responsible metropolitan programs. Special emphasis would be placed on: designation of areawide networks of reserved lanes for transit and paratransit vehicles; provision of adequate collection, distribution and internal circulation services in suburban areas; coordination of suburban feeder, and express line-haul services; use of pricing policies to reduce single occupancy use of commuter automobiles and encourage off-peak travel; and provision of incentives to promote private forms of collective transportation such as carpooling, vanpooling, subscription bus services and transportation cooperatives; and consistency with clean air and energy conservation requirements.



C. Discretionary capital grant program

A separate fund would be established for discretionary grants and loans to support construction of major new urban highways (including Interstate routes) and of fixed guideway segments (extensions to existing transit and commuter systems and initial segments of new systems). Federal assistance would be extended to projects that are shown to be cost-effective through an alternative analysis.

This program would subsume:

- funds for urban (non-high priority) Interstates;
- that portion of the UMTA discretionary capital grant assistance (sec 3) which supports right-of-way acquisition and construction of fixed guideways (but not rolling stock acquisition).

Discretionary funds could be used for preliminary and final engineering, right-of-way acquisition, design and construction of highways, guideways (including busways), stations and maintenance facilities.

Eligible grant recipients would be municipalities and regional public authorities with power to coordinate land use and corridor transportation development policies. The high capital cost of highways and guideways is justified if urban areas are willing to use the establishment or extension of such facilities to support locally initiated urban preservation, economic development and land use plans--and if the local land use and development policies can, in turn, be made supportive of the fixed investment.

Local share requirement would be 25 percent.

Assistance to fixed rail projects would be contingent on evidence of a credible local commitment to support this modal choice through the following:



- actions to restrain low occupancy automobile use for commuting purposes in rail corridors;
- land use and development policies that would promote commercial and residential concentrations in the transit corridors, especially around transit stations;
- coordinated feeder services and adequate intercept parking facilities at transit stations that would extend the effective reach of the transit system and make it accessible and convenient to automobile commuters from outlying areas.

Applicants could request that up to 15 percent of any construction job opportunities created pursuant to the grant could be allocated to unemployed or underemployed persons at special wage scales, below prevailing wages, as approved by the Secretary of Labor. Applicants who provide job opportunities for the unemployed and who demonstrate a credible commitment to cost controls would receive priority funding.

D. Financial structure

Whereas the block grant program could be authorized and funded on a two or three year cycle out of general funds, the discretionary grant program should be backed by sufficient contract authority for 10 years and should be replenished every two years on a rolling basis, in order to provide a stable, continuous and predictable source of financial support for local planning and investment decisions involving heavy financial commitments.

A commitment to replenish the funds every two years would increase local certainty and responsibility in undertaking their planning. Once projects are approved under the discretionary program, the "full funding" policy assures that the project can be completed within available authority, even though actual construction and outlays may extend over 15 or more years.



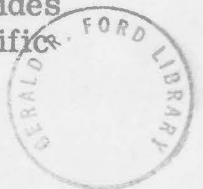
The multi-year commitments made under the discretionary grant program should be sufficiently credible and immune from the annual appropriations vagaries in order to enable the grantee to "borrow" on the Federal commitment to meet his front-end costs without creating a "lumped" outlay impact on the Federal budget. Moreover, if the Federal government can make long-term capital commitments, urban areas might be encouraged to build their systems incrementally, generating rising levels of patronage as they go.

The long-term contract authority could be backed by a trust fund or financed out of general funds. On balance, general revenue would seem to constitute a better method of financing the discretionary contract authority. The only advantage of a trust fund comes from preserving the identity of earmarked funds and preventing program obligations from exceeding the level of those revenues. Trust funds, per se, do not provide any greater degree of flexibility, certainty, stability or continuity than is possible through a proper structuring of a multi-year contract authority.

3. Special Considerations

1. This program would not involve any substantial Federal organizational consolidation for the immediate future.

2. The program is consistent with a unified transportation program, including, inter alia an intermodal, interstate funding authority and urban and rural funding authorities. We believe that a unified transportation program is premature at this time; however, the "metropolitan" proposal suggested herein would be a valuable precursor of such a program. Eventually, as the Administration's National Transportation Policy makes clear, we should have a national transportation system, primarily in the private sector, supported by the Federal government, that provides equitable, consistent support where it is required to attain specific national priorities. To reach this objective, requires patience



and perserverance in the face of strong modal vested interests and a fragmented Congressional committee structure. The deterioration of metropolitan transportation under the strain of escalating costs, erosion of the tax base, conflicting jurisdictions and a myriad of Federal requirements calls for a more immediate solution. Thus, it may be appropriate to test the waters with a metropolitan proposal which is likely to respond to the most apparent need and generate the broadest base of support.

3. To achieve the objective of consolidating, rationalizing, and simplifying Federal transportation priorities in metropolitan areas will require more effective coordination among DOT, EPA and FEA than now exists (also, HEW, HUD and other agencies). This initiative offers the opportunity to improve the coordination of EPA, FEA and DOT transportation requirements.

4. The socially responsible and intelligent utilization of the automobile in metropolitan areas is an essential element of an effective transportation program. The forthcoming report on the automobile beyond 1980 will provide the knowledge and analysis with which we may plan a coordinated Federal automobile policy in concert with a new metropolitan transportation initiative. Such a policy would rationalize, optimize and simplify various Federal environmental, safety, and energy requirements and seek greater predictability.

4. Issues that must be addressed

1. To what extent should the funding of a new metropolitan transportation program come from trust funds or general revenues? To what extent should gasoline and other motor vehicle taxes be continued or increased to provide sources of revenue? What other sources of revenue should be mandated, encouraged, or permitted (e.g., value capital of increased real estate values resulting from transportation investments, parking taxes and tolls)?

2. How should the Federal, State, Metropolitan Planning Organization (MPO) and local roles be defined?



3. Should we seek modification of environmental (particularly clean air) and energy legislation to enable the most efficient coordination of Federal transportation programs?

4. What State, regional and local financial participation should be required?

5. What requirements or incentives might be imposed to control costs (i.e., labor and capital)? Will wasteful labor protection provisions in current programs be eliminated or modified?

6. How may the objectives of expanding employment opportunities and employing the marginally employable be most effectively attained under this program?

7. How would UMTA and FHWA jointly administer such a program and what role would DOT have in coordination?

8. How should the Federal priorities of energy conservation, air quality, rational land use, metropolitan-wide planning, effective utilization of existing transportation capacity and least cost alternative be prescribed and required?

9. What should be the Administration's position on the Highway bill currently pending Congressional action?

10. What should be the Administration's policy on operating subsidies?

11. How would funds be apportioned?



THE WHITE HOUSE

INFORMATION

WASHINGTON

February 27, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CAVANAUGH ~~et~~
SUBJECT: Miami Urban Mass Transportation Grant

Next Thursday Secretary Coleman will announce in Miami that the Urban Mass Transportation program has made a decision to grant Miami \$15,000,000 for preliminary engineering in connection with their mass transportation grant proposal.

Jim Cannon, Jim Lynn, and Paul O'Neill do not feel it would be appropriate for you to announce this grant on your trip. They prefer that Secretary Coleman proceed with the announcement next Thursday.

We are calling this to your attention, as you may want to indicate at some point during the Miami stop that you understand Secretary Coleman will be in Miami Thursday and will be bringing some good news.



THE WHITE HOUSE

WASHINGTON

February 27, 1976

MEMORANDUM FOR:

JIM CANNON ✓
JIM CAVANAUGH

FROM:

JUDITH RICHARDS HOPE *JRH*

SUBJECT:

Miami, Florida, Urban Mass Transportation Grant

UMTA has made a decision to grant Miami \$15 million for preliminary engineering in connection with their mass transportation grant proposal. UMTA would expect that upon the completion of the preliminary engineering studies, they would participate in the construction of the system. When Miami receives this news, they would read this signal the same way.

The question is when and how the announcement should be made. In a luncheon two days ago with Patricelli, Askeu gave his feeling that the President should announce the grant himself (if the grant were to be forthcoming). However, Patricelli understands that a White House decision has been made (he believes through Rogers Morton's operation) that the President should duck the announcement and leave it to Secretary Coleman to make it during his address to the Miami Chamber of Commerce next Thursday night, March 4.

I wonder if we shouldn't reconsider who should be the bearer of these good tidings.



THE WHITE HOUSE
WASHINGTON
April 16, 1976

U
Kris scheduled 20 min.
6250
EYES ONLY

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE

SUBJECT: Funding of Capital Assistance Grants to Major Cities Under Section 3 of the Urban Mass Transportation Act

Judy
Good
Ms. discuss with me
only next week
JRH

I attended a briefing this morning at which UMTA officials were preparing a presentation for Secretary Coleman (tomorrow) detailing the nine major U.S. Cities which have pending applications for federal capital funding dollars to build or expand mass transit systems.

1. There is something less than \$2 billion left in the capital grant authority under the UMTA Act of 1974.
2. These nine major cities (Boston, Buffalo, Atlanta, Detroit, Denver, Los Angeles, major extension in Chicago, Honolulu, and San Juan) have all been dealing with UMTA since 1968 and 69 on their proposals.
3. Over the intervening five years, real or apparent commitments have been made, and signals given, by DOT (particularly by Secretary Volpe) that these cities' applications would receive favorable treatment.
4. All of these cities will be ripe for decision between August and October of this year. The cities know this.
5. Despite the fact that there is less than \$2 billion of UMTA money left, the total needed (conservative) is \$5.97 billion.
6. A number of proposals are being considered as to whether, and how, to bridge this gap. Moreover, there is apparently no acceptable way to postpone most of these decisions beyond October 1976 and there is no objective basis for choosing between them, assuming that such a choice must be made.



7. I have urged UMTA and DOT to come up with a solid package for Presidential review.



THE WHITE HOUSE

WASHINGTON

INFORMATION

May 3, 1976

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE *JRH*

SUBJECT: Metropolitan Atlanta Regional Transit Authority Contract

Pursuant to an UMTA grant, Atlanta has just let the bid on the first 100 cars for its new mass transit system. The bid went to a French company. GE in Pennsylvania was the main competition.

V1 GE's bid was \$16 million higher than the French bid, and \$10 million higher than the maximum amount the Atlanta officials said they would pay. The French bid was \$54 million, but at least 60 percent of the work will be subcontracted to American companies. Apparently, GE's bid also included write-offs of former rapid transit losers, and other puffing.

Bill Coleman is well aware of this potential problem, and is sending letters today to Senators Scott and Schweicker.

You may wish to share this information with Max Friedersdorf and Jack Marsh.

Jim -
As show to Josh Cheney.
Jim



THE WHITE HOUSE

WASHINGTON

May 12, 1976

Transp.
May Transit
INFORMATION

MEMORANDUM FOR:

JIM CANNON

FROM:

JUDITH RICHARDS HOPE

SUBJECT:

Speech Before the American Public
Transit Association Western Conference,
May 10, 1976

The Western Conference of the American Public Transit Association (APTA) had nearly 700 registered attendees. There were a number of speakers at the morning opening session including Dr. Bill Ronan, head of the Port Authority of New York and New Jersey; Chuck Bingman, UMTA Deputy Administrator; Adriana Gianturco, Director, California Department of Transportation, and myself.

Bill Ronan's essential plea was for a great deal more money for transit. He stated that between now and 1980 there would be at least 13 billion dollars required for operating assistance and 7 billion dollars for capital assistance. At the 80% federal share level this would mean a request of 16 billion from the federal government. In a news conference following the speeches, Ronan indicated that he thought the chances of success for at least a large portion of this increased funding were pretty good. (Ronan also told me privately that he is going to be testifying against the administration aviation regulatory reform bill, and that he was most upset about the postponement of the hearing on the Hudson River Tolls until August. I am following up on these items.)

Andriana Gianturco outlined Governor Brown's administrations' view of the three critical problems for transit in the next year:

1. Alternate means of transportation for the elderly, handicapped and poor;
2. Handling the environmental problems of auto pollution;
3. Handling problems of congestion in urban areas, particularly in peak hours. One of the solutions for this third problem: exclusive bus lanes and car pool lanes on freeways, such as the Diamond Lane on the Santa Monica Freeway in Los Angeles.

I stressed the Administration's strong commitment to the continued strength and vitality of our urban areas and to public transportation as part of that commitment. The President signed the Mass Transportation Act of 1974, providing almost 12 billion dollars for mass transit over six years and also signed the Highway Act of 1976 which provides for a transfer of funds from highways to mass transit if the state and local governments approve.

A primary objective of Administration policy is to help localities better manage what they already have. Tools being used to increase productivity include: exclusive bus and car pool lanes on freeways, reverse bus lanes, the possibility of obtaining new revenues from the concept of "value capture" (capturing through a higher tax rate a portion of increased real estate values generated by transit investments along a particular corridor and using this money to support the operating or capital expenses connected with that transit system), and regulatory reform in transportation. It includes the desire to cut down on paper work for local transit operators - paper work costs money - and particularly the Domestic Council's examination of the 13(c) process.

The mention of 13(c) and the Domestic Council's attempt to make the process work better for the local operators received cheers from the audience. People meeting with me afterwards agreed to document their problems in the hope of making the process work better. The complaints, largely against the Department of Labor, came fast and furious.

The remarks that received the greatest response were: "In closing let me state that this White House is an open White House. In addition my office is an open office and my telephone line is an open telephone line. I want to hear from you. I need your help. Together I think we can work toward a solution to some of the public transportation problems in this country."



THE WHITE HOUSE
WASHINGTON
May 26, 1976

8/28/76
Have - check
Mr. [unclear]
W. J. [unclear]
[unclear]

MEMORANDUM FOR: JIM CANNON
FROM: STEVE McCONAHEY SGM
SUBJECT: Proposed Revisions to the UMTA Legislation

Congress is currently considering amendments to the Urban Mass Transportation Assistance Act of 1974 (S. 662). One of the proposed changes would allow monies originally earmarked for capital purchases for rural areas to be used for operating assistance purposes if so desired by the local jurisdiction. In essence, this revision would make the rural program consistent with the urbanized area program.

Last year the Administration testified that it would support this revision under certain conditions, one of which was that the monies be apportioned through the states. The theory behind this support was that, in many rural areas, capital items are not needed as much as operating funds and that federal assistance should be flexible enough to meet local needs rather than force the purchase of additional equipment because federal funds are available only for that purpose.

DOT continues to suggest this revision, but it has been brought to my attention that OMB is currently opposing it. I think OMB's opposition and the potential of an Administration reversal on its previous position are ill advised. To begin with, preventing this flexibility is inconsistent with the President's policy for allowing local officials to set their own priorities. Secondly, I believe the President could use his support for this amendment to indicate his interest in helping rural areas. You may recall that Secretary Coleman indicated in his State of the Union proposals that there was not a coherent federal policy for rural transportation. Support for S. 662 would be a positive step toward filling this policy void. The Counties concur.



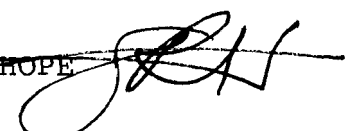
THE WHITE HOUSE

INFORMATION

WASHINGTON

May 5, 1976

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS HOPE 

SUBJECT: Transbus Problem

In yesterday's Washington Post, Jack Anderson published charges that the White House was interfering with the Transbus program and teaming up with GM to prevent two competitive bus manufacturers, American General and Rohr Industries, from obtaining a federal go-ahead for their program. As you may know, the Transbus program would provide a lower floor, and various other design innovations to make the buses more accessible for the elderly and the handicapped.

Anderson based his remarks on his reading of a Stanford Research Institute study. This study was circulated for "comment only" by SRI, and one of the companies to which it was circulated was American General, so it is not surprising that there was a leak. Further, UMTA informs me that the Anderson analysis is incorrect and unsupported by the SRI study. Moreover, UMTA is today holding an open hearing, where all parties will present their views on the Transbus issue. They are also analyzing the SRI study and should have a report here by tomorrow.



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THE WHITE HOUSE
WASHINGTON

June 18, 1976

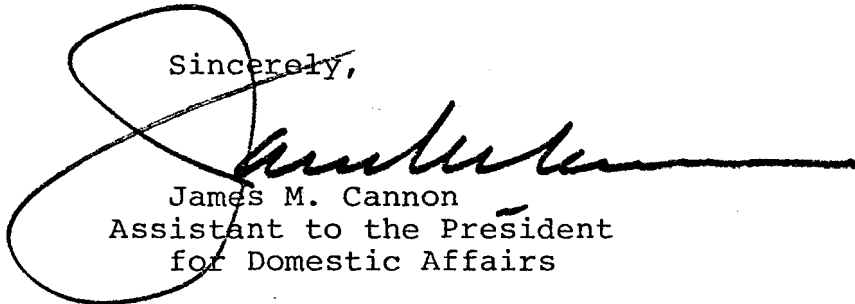
Dear Mr. Adams:

Thank you for your recent letter expressing interest in the Downtown People Mover program of the Urban Mass Transportation Administration (UMTA), and asking for my support in helping to arrange with the UMTA Administrator to discuss this program.

I understand that UMTA Administrator, Robert E. Patricelli, and his staff met with you on Thursday, June 10, 1976 to review this program in detail. I hope that this meeting was of assistance to you.

Please feel free to call on me if you have any further questions.

Sincerely,



James M. Cannon
Assistant to the President
for Domestic Affairs

Mr. George J. Adams
Mobility Systems and Equipment Company
6151 West Century Blvd.
Los Angeles, California 90045





MOBILITY SYSTEMS and EQUIPMENT COMPANY

DIVISION OF TRANSMOBILE SYSTEMS, INC.

OFFICES:
6151 West Century Blvd.
Los Angeles, California 90045
Phone (213) 641-3606

PLANT:
9220 Atlantic Blvd.
South Gate, California 90280
Phone (213) 566-2728

June 22, 1976

Mr. Jim Cannon
The White House
Washington, D.C. 20515

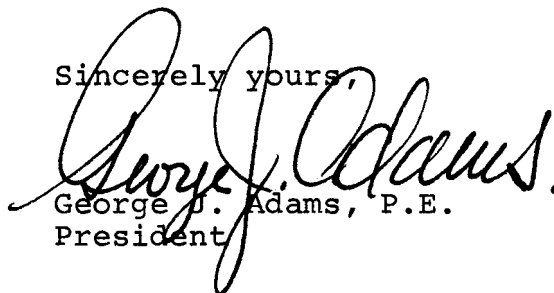
Dear Mr. Cannon:

Thank you for your support in helping to arrange a meeting with UMTA Administrator, Robert E. Petricelli. We met with Mr. Robert Petricelli and his staff last June the 10th.

During the meeting we were able to present our views on subjects related to Urban Mass Transportation Administration-UMTA in reference to their procurement policies and plans for Downtown People Mover program as they affect small business (engineering and architectural companies). We are enclosing a copy of memorandum that we presented during our visit with Mr. Petricelli last June the 10th.

As a result of our meeting, we were asked by Mr. Petricelli and Mr. George Pastore, Assistant Administrator for Research & Development to prepare memorandums related to those discussed matters. We are preparing them at this time especially those related to UMTA small business procurement policies and participation of engineering companies in the people mover urban deployment plans and capital grants.

Sincerely yours,


George J. Adams, P.E.
President

GJA/dg
Enc.





MOBILITY SYSTEMS and EQUIPMENT COMPANY

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6151 West Century Blvd.
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Phone (213) 566-2728

June 10, 1976

MEMORANDUM

TO: Honorable R. E. Petricelli, Administrator
Urban Mass Transportation Administration - DOT

FROM: George J. Adams, President
Mobility Systems & Equipment Company

SUBJECT: Visit of June 10, 1976 regarding concerns of small business companies interested in contributing to transportation technology and people mover systems. Point for discussion with Mr. Petricelli at the meeting.

RFP Approach and Contracting Policies

The small engineering companies, especially Mobility Systems, have participated in various important procurement activities by presenting proposals responding to RFP's. On some occasions we have also presented non-solicited proposals. Small businesses find it very difficult to receive acceptance of sound technical proposals in the evaluation phase because apparently the project scopes are, in some cases, too extensive. Proposals are also in a format more appropriate for NASA or major defense systems procurement than to transportation engineering or industrial technology project.

As a result capable small companies with experience in the transportation technology field are rejected and large companies with expertise in NASA-type and defense systems, DOD type projects receive contracts. But those companies fail to deliver products for public usage and acceptance.

We propose that DOT review their RFP approach and contracting policies with an eye to enabling small but experienced companies to contribute technology and deliverable products that will result in transportation service benefits to the public in U.S. urban centers.

Approach Vs. Systems Contractor for People Mover Projects

A past error has been to approach people mover type of AGT systems as if it was a commercial or military jet aircraft or a missile system, i.e. the aerospace approach.



It is necessary to be cognizant of several important facts in regard to AGT systems. First each AGT system represents a "one of a kind" product. It is not possible to design a single product, produce it in quantity and install the identical product in a variety of locations. Each project must be considered as an unique endeavor and proceed, as a unit, thru planning, design, development, construction, testing and operation.

Second it is necessary to note that any AGT project should be handled by a firm with an engineering/architectural orientation and experience in AGT. The approach of the A & E contractor is far more applicable for the "one of a kind" system described above than the approach of a large aerospace firm.

A third fact should be noted, much, if not all, of the AGT technology does not fall in the realm of advanced research and development, the strength of the aerospace industry, but rather with already developed technology and equipment. Thus we are faced with an engineering problem rather than a research endeavor.

Fourthly, and due in large measure to reasons developed in the preceding three paragraphs, it is obvious that most AGT systems are best handled, from planning to constructing by an engineering firm (with proper experience) acting as technical supervisor and subcontractors functioning in their speciality. Again the parallel with the method used by the A & E firm is obvious.

Accepting the propositions set forth above will result in a shift in viewpoint regarding the development of AGT which in turn will result in important economics to urban centers in the form of reduced capital costs and lower operating costs. This is due to the fact that the AGT projects will be viewed as engineering projects subject to standard engineering and construction procedures rather than aerospace like research and development efforts.

UMTA should utilize those engineering companies who have experience in the design, development, and installation of people mover systems, which have actually been operated as public automated transportation service. These companies can provide real assistance in designing and developing those projects for which UMTA proposes to grant capital funds to urban centers for demonstration and installation. In order to facilitate this in the case of Mobility Systems, some appropriate recognition from UMTA of our technical eligibility would be helpful.

"Jetrail" Systems Projects Eligible for UMTA Capital Grants

It is encouraging that UMTA recognizes the value of "Jetrail" as an automated transportation system, featuring demand mode, a distinctive PRT characteristic of a type comparable to the AGT-GRT type systems.



However, the inaccurate identification of the "Jetrail" installation with a company never connected directly or indirectly with the project at Love Field, Dallas, Texas for Braniff International is disappointing.

"Jetrail" was designed by a group of engineers under G. J. Adams, P.E. applying technology that was developed in 1964, in Ann Arbor, Michigan, and produced by Stanray Pacific Company of Lynwood, California. This project was handled as an industrial engineering project. Not a single component was fabricated by Stanray Pacific Company. All construction, fabrication, and installation work was done by contractors and subcontractors selected by Mr. Adams, (then Director of Engineering and Research at Stanray Pacific Company): American Crane and Hoist Engineering from Downey, California for the electrification and controls, Standard Carriage from City of Industry, California, builder of monorail cars, (10), Western Gear, Inc. of Houston, Texas, mechanical components, SMACO of Santa Ana, California, suppliers of on board vehicle control as well as A.C. drives. Steel structure, fabrication, erection, and foundations were contracted to various Dallas, Texas construction companies.

This project was approached in a fashion very comparable to that Mobility Systems proposed for the Transpo '72 people mover demonstrations. Unfortunately our proposal was not selected because our people mover system appeared to be a commercial product that did not incorporate any advanced technology. (A line of reasoning incomprehensible and absurd to us.)

The misunderstanding of "Jetrail" technology and the Mobility Systems Transpo '72 proposals indicates that contracting policies are not directed at comprehending the technical subject matter presented in proposals but are based on the format and approach of aerospace type proposals.

We suggest that in its forthcoming demonstration projects UMTA capitalize on what Mobility Systems technical staff has contributed to people mover technology especially as pioneers of complete automatic, demand-responsive, guideway transportation systems, with automatic switching capabilities for bypassing, and without the application of computer or manually operated console.



cc: *Cavanaugh*
Mass Transit

THE WHITE HOUSE
WASHINGTON

ACTION

July 14, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE MCCONAHEY *SGM*

SUBJECT:

Announcement of Transportation
Grants to Several Cities

I received a phone call from Secretary Coleman asking our guidance on how to announce over \$300 million worth of mass transportation grants to several cities (he is planning to make some type of announcement early next week). These grants, along with others already announced, will reflect over \$2 billion of federal assistance going to urban areas for public transportation. Secretary Coleman expressed concern that a routine announcement at DOT would not yield to the President the credit he should receive for his support of urban transportation. He suggested the possibility of making the announcement at the White House along with the President who could state again his continuing support for the nation's cities and for public transportation.

I have discussed this briefly with Judy Hope and she concurs with the White House approach. Secretary Coleman did raise the question of whether a White House announcement would draw criticism for being too political. I would be willing to take that risk rather than allow this type of action, which is favorable to the cities, to be ignored by the general press and the public at large. Put very simply, the President should get credit for these decisions.

I told Secretary Coleman that I would be back in touch with him on this matter by the end of the week.

Attached is a list of cities involved and the breakdown of grants.

Attachment



CITIES TO RECEIVE GRANTS

Baltimore, Maryland

San Francisco, California

Seattle, Washington

New York City, New York

Washington, D.C.

Detroit, Michigan

Boston, Massachusetts

The breakdown into capital, operating and planning of the
\$2 billion:

\$1.5 billion Capital

\$.5 billion Operating

\$.30 million Planning



THE WHITE HOUSE
WASHINGTON

INFORMATION

September 15, 1976

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Chang

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ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CANNON

FROM: JUDITH RICHARDS *JRH*

SUBJECT: Urban Mass Transportation
Administration: Upcoming Grants

1. \$13 million to St. Louis, Missouri, for mass transit will be announced this week.
2. By Friday of this week, 20 cities will have been eliminated from the 38 which have applied for funds under the demonstration "people-mover" program. A second cut, eliminating 8 or 9 more cities will come towards the end of November.
3. On September 23rd, 3 programs for New Jersey totaling \$400 million will be announced. Of this, \$157 million will be committed to the Plainfield, New Jersey, corridor which will include the possibility, therefore, of extending the PATH line to Plainfield if certain conditions are met. Patricelli, head of UMTA, is meeting with Sagner, head of New Jersey DOT, and with Bill Coleman on the 23rd to discuss this.
4. After many years of discussion, Los Angeles has submitted a four-part proposal which represents a political consensus from L.A., and also appears acceptable to UMTA officials. UMTA will probably OK this project, dear to the hearts of many in Los Angeles. The OK may come as early as October. In this connection, I again call your attention to the request of the American Public Transit Association for a Presidential speech on October 18, 19, or 20, at their annual meeting in San Francisco. You may recall that Bill Coleman, Bill Ronan, and Bob Patricelli have already agreed to speak there.
5. Before the end of the transition quarter, September 30th, UMTA will announce major grants in New York City and State:



- (a) +/- \$90 million to the Long Island Railroad for commuter rail;
- (b) \$8.8 million to Westchester County for 105 busses, the first grant ever to Westchester County;
- (c) \$70 million to New York's MTA as operating assistance;
- (d) A grant of \$8 million in planning money to Buffalo pursuant to their successful application for rail assistance.



*Let's see
Grant*

INFORMATION

THE WHITE HOUSE
WASHINGTON

October 9, 1976

676 000 00 01 3 20

*Judy -
Mantles
Jude*

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CAVANAUGH
FROM: JUDITH RICHARDS HOPE *JRH*
SUBJECT: Pending Transit Grant; New York/New Jersey

Jim Cannon has suggested that I alert you to a \$995,000 UMTA grant which is about to be announced for an innovative water-bourne transit project in New York Harbor, to serve New York and New Jersey residents. The two year project will use three high speed Hovercraft ships to provide a variety of services in the New York/New Jersey area: night service to Staten Island, daytime commuter service to Manhattan, mid-day service to LaGuardia and summertime recreational service to Gateway National Park will be provided.

The Project will evaluate the feasibility of using the Nation's waterways for urban commuter purposes potentially relieving pressures on existing highways and mass transit facilities.

In addition, by replacing the larger Staten Island ferries with smaller vessels for low passenger night runs. New York City expects to save more than the cost of the project, \$1.6 million, in excess operating costs over an 18-month period.

cc: Jim Cannon



THE WHITE HOUSE

Thas Trust
INFORMATION

WASHINGTON

October 9, 1976

1976 OCT 10 AM 8 21

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CAVANAUGH
FROM: JUDITH RICHARDS HOPE *JRH*
SUBJECT: Chicago, Illinois Mass Transit Grant *John*

Jim Cannon has suggested that I bring to your attention an \$800 million package agreement which has been worked out by the City of Chicago and the U.S. Department of Transportation.

UMTA will provide \$400 million for mass transit; the City of Chicago will delete certain highway setments (primarily the controversial Chicago cross-town highway) from its allocated interstate highway mileage, and transfer these funds (\$400 million) to transit also.

This is an important break-through in funding and in Federal-State-City cooperation.

It is presently scheduled for joint annououncement by Secretary Coleman and Mayor Daley sometime between October 20 and 30, 1976.

cc: Jim Cannon



10002

THE WHITE HOUSE
WASHINGTON

Transportation
due cob
Sat. Oct 16

October 15, 1976

MEMORANDUM FOR: PHILIP BUCHEN
ROBERT T. HARTMANN
JACK MARSH
MAX FRIEDERSDORF
ALAN GREENSPAN
JIM LYNN
BILL SEIDMAN ✓

FROM: JIM CANNON JMC

SUBJECT: Detroit Transit Proposal

The attached memorandum replaces an earlier memorandum to the President from Paul O'Neill which was sent to you earlier today for your comments.

attachment

gone with
O m B
JWS



10603

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 15, 1976

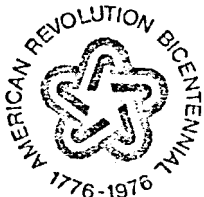
MEMORANDUM FOR: JIM CANNON

FROM: Paul W. MacAvoy
Acting Chairman

SUBJECT: Detroit Transit Proposal

CEA supports the position taken by OMB in Tab B. The questions asked there as to the effects of such a proposal have to be answered for Federal programs to maintain credibility on the merits.

One additional question may be the most pressing of all. If the urban unrest of the last few months has reduced private transit into the city, what would it have done to public transit? If the unrest continues, would not the result be to leave any public facilities as deserted monuments? The least acceptable result is to have this Administration build empty edifices in mass transit that mock the empty urban renewal housing of the Johnson Era.



THE WHITE HOUSE

WASHINGTON

October 15, 1976

MEMORANDUM FOR: PHILIP BUCHEN
ROBERT T. HARTMANN
JACK MARSH
MAX FRIEDERSDORF
ALAN GREENSPAN
JIM LYNN
BILL SEIDMAN

FROM: JIM CANNON *Jimi*

SUBJECT: Detroit Transit Proposal

Attached for your consideration is a proposal which Secretary Coleman has made to the President. It involves a commitment of federal mass transit funds to the city of Detroit. (Tab A)

This will have a budget impact in FY 80 in that the six-year mass transit funding which the President signed in 1974 will be used up in five years.

May I have your views by close of business on Saturday, October 16, so that I may incorporate them in a memorandum to the President.

Attached at Tab B is a preliminary draft of OMB's position on this suggestion.

Thank you.

attachments





THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

October 9, 1976

MEMORANDUM TO: The President

SUBJECT: Detroit Transit Proposal

Background

Detroit has been working for several years with the Department's Urban Mass Transportation Administration (UMTA) to develop an improved transit program. A new urgency has been added to that work as a result of civic unrest in the City, and Governor Milliken is now actively involved in pressing the City's case for Federal support.

The State and the City are jointly seeking a Federal commitment in principle to support a coordinated package of transit improvements consisting of bus service on freeways and arterials, commuter rail improvements, a two-mile "people mover" system downtown (linking the Renaissance Center to other key focal points), and a new rapid transit system of up to 20 miles. They are currently developing the cost-effectiveness analysis of transit alternatives which we require before we can make any specific commitments, but that will not be complete until January 1977.

The progress of this work has been punctuated by increasing unrest in the City--the riots in Cobo Hall, problems with teenage gangs, crime and terror incidents on city buses and freeways. The Governor has taken the unprecedented step of assigning State Police to patrol the expressways during rush hours to protect motorists. Both he and the Mayor report that this series of events has seriously shaken private business confidence in the revival of the City, and stymied new downtown investment. They strongly feel that the City urgently needs an expression of specific commitment by some outside force--some ray of hope--before a new round of business and residential flight is triggered. They see a Federal transit commitment as the only significant prospect in the offing.



Three weeks ago I told the Governor that no such Federal commitment could be made unless non-Federal matching funds were committed. He immediately began legislative action and obtained, on September 30, legislative approval of a \$220 million State transit funding package. This package includes additional automobile license plate fees and vehicle title transfer taxes to be paid in suburban counties around Detroit--an indication that the State is willing to take difficult political steps in the face of this crisis.

The ball is now back in our court. The Governor and others in Michigan are pressing hard for some indication of Federal response, now that they have completed the action which I had indicated was needed. Not to respond now could be embarrassing to the Administration and could provoke a political attack from the Mayor and others. I believe, however, that this situation presents us with the opportunity to go on the offensive with a decisive expression of concern for key American cities. This issue needs to be approached as an urban policy issue, and not just a transit investment decision.

Proposal

I propose a response which will demonstrate Administration and Presidential leadership by taking action to express concern for declining central cities in a hard-nosed way, and in a way which does not unbalance our budget and tax postures. The policy messages I believe we can communicate in this effort are the following:

1. The key to city revival lies in stimulus to private investment and private job creation, which in turn creates a larger tax base through which a city can better deal with its own problems;
2. This Administration will help cities that demonstrate commitment to deal with their own problems; and
3. We will require a partnership approach among all levels of government and the private sector.

Specifically, I propose to announce within the next two weeks a \$600 million conditional commitment in principle of funds to Detroit for transit improvements. For this commitment to be triggered into actual grants, the transit effort will have to be made part of a major community development and city building effort by the State, City, and Federal governments and the private sector. Specifically, we must have commitments that:



--any transit construction will be carried out with union cooperation and in such a way as to provide skill training and jobs for substantial numbers of unemployed city youth who are at the heart of the problem of urban unrest;

--the private sector will make new investment commitments, on at least a dollar for dollar basis with the Federal Government's transit grant, for office, commercial, and residential development around proposed transit routes and stations; and

--State and local governments will make necessary commitments for supporting infrastructure and will assure the provision of public services which will enhance the prospects for private investment.

In this way, a transit commitment becomes a rallying point for an entire program in which all sectors can join.

Other Federal Departments--HUD and Commerce (through the Economic Development Administration)--could also be brought into this package. An announcement could be handled in any one of several ways--perhaps after a White House meeting sought by Governor Milliken, Mayor Young, the automobile company heads, unions, and others. You could be directly involved, or the actual announcement could be handled at the Cabinet level.

Budget Impact

Kennedy
The budget impact of a major transit commitment such as this is delayed. We would not have significant obligations until FY 1978, and outlay impacts would be strung out over a few years beginning in FY 1979 and 1980. However, there is no doubt that such a step would create pressures from some other cities, notably Los Angeles which is well along in preparing a comprehensive transit package.

However, compared to almost any other urban program initiative, transit grants can be managed and limited. They are on a discretionary basis, not formula allocated, and very few cities can begin to justify rail transit development. In other words, we are talking about a few major cities in a delayed and



strung-out time frame, not all medium and large cities. I believe, also, that the UMTA program budget is being managed in a very moderate way. We have rejected major grant applications in Denver and Dayton. We have cut programs in half in New Jersey (PATH) and Buffalo. We require grantees to enter into contracts which put a fixed ceiling on the Federal funding and commit local resources to be used to complete the project in the case of any cost overruns. I have exacted commitments from contractors and unions that there will be no strikes during the course of construction. You are not dealing with a runaway program here.

At the same time, UMTA program initiatives have been treated favorably by the press (see attached New York Times editorial) and represent visible and important stimulants to city economics. We have made a number of major UMTA commitments to central cities within the last two years (see attachment), so there can be no allegation of special favoritism to Detroit.

In order to accommodate the initiative I am proposing, it will be necessary to accelerate UMTA commitments of funds already authorized. As one of your first major acts as President, you signed the major National Mass Transportation Assistance Act in 1974, committing \$11.8 billion over the six years from FY 1975 to FY 1980. Of that amount, \$7.1 billion was for discretionary capital grants. I propose now to permit UMTA to spend out that capital authorization in five rather than six years, thereby requiring an agreement by you to seek new authorizations for FY 1980 and beyond. We can credibly take the position that, by the time these added authorizations and outlays for FY 1980 come on line, they can be absorbed by cuts elsewhere or by new revenues.

The time for us to announce such an intention is soon. I am addressing the annual meeting of the American Public Transit Association on October 20, 1976 and would like to do so then. In this manner we will be taking the offensive, not waiting for Congressional action. Both the Senate and House are planning to take up the UMTA legislation next year and will probably add substantial funding to the UMTA program--I believe that we should capture that issue by presenting an effective Administration funding proposal.

Bill
William T. Coleman, Jr.

Attachments



ATTACHMENT

(\$\$ in millions)

1. Major UMTA rail transit construction and rehabilitation commitments beginning in FY 1975:

Atlanta	\$800
Baltimore	\$500
Boston	\$200 (Interstate transfers)
Buffalo	\$269
New York City	\$500
Northern New Jersey	\$470
Philadelphia	\$240

2. Major UMTA bus and busway commitments since FY 1975:

Denver	\$200
Seattle	\$124

3. Detroit ranks 5th in size among urbanized areas, but 12th in amount of UMTA grants through FY 1976.



Sic Transit . . .

The pleasures of urban life are not limited to the availability of sophisticated cuisine, to rich options in the arts or to opportunities to encounter cultivated minds and sensibilities. An urban joy can be as simple as taking a small boy to Coney Island on the old Sea Beach line and choosing to return to Manhattan on the F train because of its bright, quiet, new cars and the view it affords of the Verrazano-Narrows Bridge before it scuttles into a tunnel for the long serious journey under Brooklyn.

Secretary of Transportation William T. Coleman Jr. clearly understands such things and is also aware of the additional fact that the vitality of any city depends, in large measure, on whether its people are able to move through it efficiently and in reasonable comfort. He announced the approval last week of five mass transit grants totaling \$340 million to major cities to support such activities as subway construction, acquisition of buses and improvement of existing equipment. Those grants, which included \$66.7 million for New York City, bring the Department of Transportation's mass transit aid for this fiscal year to \$1.5 billion.

Next to the \$70 billion the nation has spent over the years on its more than 40,000 miles of interstate highways, that amount may seem minuscule, but compared with the \$133 million the Federal Government allocated to mass transit just six years ago, it is significant. Since 1970, the curve of Federal mass transit expenditures has climbed steadily. Moreover, cities now have the option of diverting some highway money to mass transit purposes, and a number of mayors have demonstrated the wisdom and courage to do so.

If these straws in the wind indicate that the nation is finally beginning to free itself from the grip of the highway lobby, then they are most welcome. The automatic trust fund device for funding highways has not only contributed to the noxious urban atmosphere, but to the malaise in the railroad industry and to the strangulation of the cities as well. From 1945 to 1970, the nation's investment in highways amounted to more than \$150 billion and, during that time, less than 20 miles of subway were built in the United States.

Secretary Coleman put the conflict well the other day when he said, "... the city that is not accessible cannot serve its people. . . . For our urban centers to survive and thrive, we must have transportation systems that circulate people in and through our cities in comfort and convenience. . . . Highways alone, where buses with 40 passengers must compete with the one-occupant car for the same piece of pavement, will not do the job."

While there is little chance that America's romance with the internal combustion engine will soon fade, there is currently a large question about whether the nation's cities can remain viable. Policies which seek to redress the investment imbalance of the past are nothing so much as they are efforts to conserve our cities and investments in our future.





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MEMORANDUM FOR: THE PRESIDENT

FROM: Paul O'Neill

SUBJECT: OMB Comments on Secretary Coleman's Detroit Proposal - Request for Administration Commitment to Expand the Mass Transit Act

This memorandum is prompted by Secretary Coleman's October 9 proposal to you that the Federal Government should immediately commit itself to a \$600 million transit program in Detroit. The commitment would pre-empt a detailed analysis of Detroit alternatives which is required by DOT, and which is due in early 1977. This and similar major proposals (Los Angeles, Honolulu, Chicago, others) would, if approved, require annual funding levels substantially higher than those currently authorized through 1980, and impose funding requirements well beyond 1980. The Secretary accordingly also wants approval to announce next week at a convention of the American Public Transit Association (APTA) that the Administration will seek expansion and extension of mass transit legislation.

OMB believe that Secretary Coleman's Detroit memo greatly understates the budgetary ramifications and overstates the benefits of the proposal, and OMB strongly recommends that Secretary Coleman be advised not to make this or any major rapid transit commitments or announcements for at least three months so that such decisions do not pre-empt your options as you review 1978 budget requests. Specifically, if you meet with Governor Milliken on Monday, no commitment should be made other than that Detroit's proposals are under review and will receive careful consideration. OMB also recommends that no long term funding decisions be implied at the APTA conference. The following arguments support these recommendations:

Background

- Transit is not a panacea: While Secretary Coleman is correct when he states that some transit initiatives have been treated favorably by the press, an increasingly impressive array of

independent analyses are making devastating arguments against new major rapid transit projects. The BART system in San Francisco, for example, has had marginal effectiveness, carries only 2-3 percent of the trips in the Bay area, over 40 percent of its riders previously rode buses for the same trip, it only covers one third of its operating costs from the farebox, and has very little impact on land use. It principally benefits suburban commuters, not inner city residents in the Bay Area.

- Funds do not exist: DOT is beginning its third year of the six-year transit funding authority which you signed in November 1974. While funds for 1977-1980 are technically unobligated, DOT has already made commitments or planned how it might use almost every dollar. Hence, a commitment such as the one proposed would exceed planned levels and force a need for additional authority. At a minimum, such proposals should receive the greatest scrutiny possible and be compared with other competing applications for transit funds.
- Pre-empts budget trade-offs: As you know from budget previews, decisions which you have to face for 1978, 1979 and 1980 will be the toughest any President has had to face for years. The mass transit budget request for 1978 and the plan which Secretary Coleman has outlined would add \$1 billion in obligations and \$500 million in outlays to 1979 estimates above and beyond any of the targets or threats which you have already seen. DOT's overall FY 1978 request alone is already \$3 billion above planning figures for obligations, and \$1 billion above outlay targets. Recent transportation actions have added several billion dollars over your planned levels for 1976 and 1977 (e.g., ConRail, Northeast Corridor, airport grants, highway grants). Transportation budget threats for the future include not only transit, but also more for highways and railroads, and possibly aircraft noise retrofit. The DOT proposal seeks approval of an unspecified increase and extension to the transit program. What DOT actually has in mind is a transit program by 1980 well over a billion dollars higher than that assumed in your target estimates. You should have the opportunity to examine your options in a broader context.
- Not based on analysis: Secretary Coleman argues that the UMTA program carefully controls which projects it approves. But that control only exists to the extent that proposals

are subjected to intense scrutiny by UMTA - scrutiny which is designed to help ration UMTA's funds and prevent the serious planning problems that occurred with BART, and with METRO here. Approving Detroit in advance of this review would undermine the value of normal UMTA analysis - analysis which is more than likely to reject rail rapid transit options in Detroit in favor of high quality express bus service on Detroit's excellent freeway network. Specifically, the \$600 million mentioned for Detroit is an awkward amount. It is much more than is needed for buses, a downtown people mover and commuter railroad improvements, but is too low for a new rapid transit scheme.

- Timing: There is absolutely no need to make such a decision at this time. The unrest problems which the Secretary discusses would remain unaffected by this decision for years, even assuming that a transit initiative would have some bearing on the issue.
- Long-term problems: Secretary Coleman's speech and meetings in Detroit last month are likely to be misinterpreted as an Administration promise of \$600 million to that city. They have already prematurely triggered legislative action by the Governor. UMTA is presently involved in several multi-hundred million dollar projects (Atlanta, Baltimore) which received support in 1972 pre-election speeches by former Secretary Volpe. It took years for DOT to salvage some order out of the chaos created by those speeches, and I think we should profit by those past errors and approach this proposal far more carefully.
- Operating Subsidies: Despite the superficial appeal of mass transit to the NY Times, transit is a program whose objectives and effectiveness have not been seriously examined for almost a decade. The major projects - particularly the large ones like Detroit's proposal - have extremely low benefit/cost ratios and - a point that is too often overlooked - have enormous built-in operating subsidy requirements which are never given sufficient weight at the time of the investment decisions. BART was to have been self-supporting, but only covers a third of its costs from the farebox. METRO was to have been self-supporting, but it too requires subsidies. I believe Detroit would be particularly hard pressed to cover major annual deficits of rail transit on top of its bus deficits.



Recommendation: The Administration should go slow on Detroit and on mass transit at this time. More orderly decisions can be reached during the next three months. In the meantime, there are several positive actions the Federal Government can do far short of promising \$600 million of money that we don't have for a project that barely exists on paper. For example, the downtown people mover proposal which Detroit submitted to UMTA this summer in competition with 38 other cities is reportedly very close to being one of three legitimate finalists. This is a \$50-100 million program that has been analyzed and for which funds have already been identified.

With respect to the Secretary's request to announce a legislative proposal at the transit convention next week, OMB strongly believes that it is in your best overall interests that no such commitment be made at that time. You need to have options prepared and evaluated on this issue, and the costs and benefits of this initiative compared to other initiatives. As an alternative, OMB strongly recommends that the Secretary address only the very major transit accomplishments which your Administration has already made.



THE WHITE HOUSE INFORMATION
WASHINGTON
October 16, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *Handwritten signature*
SUBJECT: Secretary Coleman's Detroit Transit Proposal

Within the next few days, you will be meeting with Governor Milliken and Secretary Coleman. One of the issues they will wish to talk with you about is Secretary Coleman's proposal for mass transit in Detroit. A copy of his proposal to you is attached at Tab A. This proposal has been circulated to your Senior Staff for preliminary review. Jim Lynn's comments are attached at Tab B; those of your Senior Staff are at Tab C.

SUMMARY OF PROPOSAL

Within the next two weeks, Secretary Coleman proposes to announce a \$600 million Federal commitment in principle for Detroit transit improvements. He proposes to deal with this question as an urban policy issue, not just a transportation investment decision. For the commitment to be triggered into actual grants, he would require major community development and city building efforts by the State, City, and Federal governments as well as the private sector.

The State has already taken some action: on September 30, Governor Milliken obtained legislative approval of a \$220 million State transit funding package, including additional automobile license plate fees and vehicle transfer taxes.

In order to go forward, Secretary Coleman would require commitments that:

- Transit construction provide skill training and jobs for unemployed city youths, in cooperation with local unions.



- The private sector match the Federal grant with equal investments in commercial and residential development near transit routes; and
- State and local governments commit to providing services to enhance the chances for private investment.

BUDGET IMPLICATIONS

In 1974, you signed the National Mass Transportation Assistance Act, committing \$11.8 billion over six years, FY 1975 through FY 1980, including \$7.1 billion for discretionary capital grants. The Detroit grant, if made, would create pressures from other cities, notably Los Angeles, which are nearing completion of comprehensive transit packages of their own, and are aware that UMTA's discretionary funds are running out.

Secretary Coleman believes the proposal would not have significant financial obligations until FY 1978, and outlay impacts would be spread over a number of years, beginning in FY 1979.

He proposes that UMTA be permitted to spend its capital authorization in five, rather than six years, thereby requiring your approval to seek new authorizations for FY 1980 and beyond. He would like to use the occasion of his address to the American Public Transit Association Convention in San Francisco on Wednesday, October 20, to announce this decision.

Jim Lynn strongly recommends against this proposal at this time. He urges that:

- The Detroit commitment will exceed planned levels and force a need for additional budget authority;
- Decision of this issue may pre-empt your options as you review 1978 budget requests;
- Major projects, such as Detroit, have built in operating subsidy requirements which have not been fully analyzed or weighed.

RECOMMENDATIONS

Jack Marsh, Paul MacAvoy and Bill Seidman agree with OMB.

Max Friedersdorf recommends approval. He discussed the matter with Senator Griffin who "generally approves".



I recommend that you not make a decision on the Detroit proposal at this time. Secretary Coleman should be directed to develop a detailed analysis and review of this option and other responsible alternatives. He should also be asked to present a paper which more thoroughly discusses and presents the methods by which transportation funds can be used to prompt positive action by local officials to revive urban areas.





THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

October 9, 1976

MEMORANDUM TO: The President

SUBJECT: Detroit Transit Proposal

Background

Detroit has been working for several years with the Department's Urban Mass Transportation Administration (UMTA) to develop an improved transit program. A new urgency has been added to that work as a result of civic unrest in the City, and Governor Milliken is now actively involved in pressing the City's case for Federal support.

The State and the City are jointly seeking a Federal commitment in principle to support a coordinated package of transit improvements consisting of bus service on freeways and arterials, commuter rail improvements, a two-mile "people mover" system downtown (linking the Renaissance Center to other key focal points), and a new rapid transit system of up to 20 miles. They are currently developing the cost-effectiveness analysis of transit alternatives which we require before we can make any specific commitments, but that will not be complete until January 1977.

The progress of this work has been punctuated by increasing unrest in the City--the riots in Cobo Hall, problems with teenage gangs, crime and terror incidents on city buses and freeways. The Governor has taken the unprecedented step of assigning State Police to patrol the expressways during rush hours to protect motorists. Both he and the Mayor report that this series of events has seriously shaken private business confidence in the revival of the City, and stymied new downtown investment. They strongly feel that the City urgently needs an expression of specific commitment by some outside force--some ray of hope--before a new round of business and residential flight is triggered. They see a Federal transit commitment as the only significant prospect in the offing.



Three weeks ago I told the Governor that no such Federal commitment could be made unless non-Federal matching funds were committed. He immediately began legislative action and obtained, on September 30, legislative approval of a \$220 million State transit funding package. This package includes additional automobile license plate fees and vehicle title transfer taxes to be paid in suburban counties around Detroit--an indication that the State is willing to take difficult political steps in the face of this crisis.

The ball is now back in our court. The Governor and others in Michigan are pressing hard for some indication of Federal response, now that they have completed the action which I had indicated was needed. Not to respond now could be embarrassing to the Administration and could provoke a political attack from the Mayor and others. I believe, however, that this situation presents us with the opportunity to go on the offensive with a decisive expression of concern for key American cities. This issue needs to be approached as an urban policy issue, and not just a transit investment decision.

Proposal

I propose a response which will demonstrate Administration and Presidential leadership by taking action to express concern for declining central cities in a hard-nosed way, and in a way which does not unbalance our budget and tax postures. The policy messages I believe we can communicate in this effort are the following:

1. The key to city revival lies in stimulus to private investment and private job creation, which in turn creates a larger tax base through which a city can better deal with its own problems;
2. This Administration will help cities that demonstrate commitment to deal with their own problems; and
3. We will require a partnership approach among all levels of government and the private sector.

Specifically, I propose to announce within the next two weeks a \$600 million conditional commitment in principle of funds to Detroit for transit improvements. For this commitment to be triggered into actual grants, the transit effort will have to be made part of a major community development and city building effort by the State, City, and Federal governments and the private sector. Specifically, we must have commitments that:

- any transit construction will be carried out with union cooperation and in such a way as to provide skill training and jobs for substantial numbers of unemployed city youth who are at the heart of the problem of urban unrest;
- the private sector will make new investment commitments, on at least a dollar for dollar basis with the Federal Government's transit grant, for office, commercial, and residential development around proposed transit routes and stations; and
- State and local governments will make necessary commitments for supporting infrastructure and will assure the provision of public services which will enhance the prospects for private investment.

In this way, a transit commitment becomes a rallying point for an entire program in which all sectors can join.

Other Federal Departments--HUD and Commerce (through the Economic Development Administration)--could also be brought into this package. An announcement could be handled in any one of several ways--perhaps after a White House meeting sought by Governor Milliken, Mayor Young, the automobile company heads, unions, and others. You could be directly involved, or the actual announcement could be handled at the Cabinet level.

Budget Impact

The budget impact of a major transit commitment such as this is delayed. We would not have significant obligations until FY 1978, and outlay impacts would be strung out over a few years beginning in FY 1979 and 1980. However, there is no doubt that such a step would create pressures from some other cities, notably Los Angeles which is well along in preparing a comprehensive transit package.

However, compared to almost any other urban program initiative, transit grants can be managed and limited. They are on a discretionary basis, not formula allocated, and very few cities can begin to justify rail transit development. In other words, we are talking about a few major cities in a delayed and

strung-out time frame, not all medium and large cities. I believe, also, that the UMTA program budget is being managed in a very moderate way. We have rejected major grant applications in Denver and Dayton. We have cut programs in half in New Jersey (PATH) and Buffalo. We require grantees to enter into contracts which put a fixed ceiling on the Federal funding and commit local resources to be used to complete the project in the case of any cost overruns. I have exacted commitments from contractors and unions that there will be no strikes during the course of construction. You are not dealing with a runaway program here.

At the same time, UMTA program initiatives have been treated favorably by the press (see attached New York Times editorial) and represent visible and important stimulants to city economics. We have made a number of major UMTA commitments to central cities within the last two years (see attachment), so there can be no allegation of special favoritism to Detroit.

In order to accommodate the initiative I am proposing, it will be necessary to accelerate UMTA commitments of funds already authorized. As one of your first major acts as President, you signed the major National Mass Transportation Assistance Act in 1974, committing \$11.8 billion over the six years from FY 1975 to FY 1980. Of that amount, \$7.1 billion was for discretionary capital grants. I propose now to permit UMTA to spend out that capital authorization in five rather than six years, thereby requiring an agreement by you to seek new authorizations for FY 1980 and beyond. We can credibly take the position that, by the time these added authorizations and outlays for FY 1980 come on line, they can be absorbed by cuts elsewhere or by new revenues. ?

The time for us to announce such an intention is soon. I am addressing the annual meeting of the American Public Transit Association on October 20, 1976 and would like to do so then. In this manner we will be taking the offensive, not waiting for Congressional action. Both the Senate and House are planning to take up the UMTA legislation next year and will probably add substantial funding to the UMTA program--I believe that we should capture that issue by presenting an effective Administration funding proposal.

Bill
William T. Coleman, Jr.



Attachments

ATTACHMENT

(\$\$ in millions)

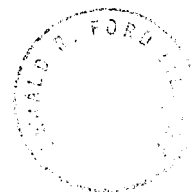
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Handwritten marks and signatures on the page, including a large stylized 'F' or 'J' on the left, a large circular mark with a horizontal line through it in the center, and a signature at the bottom right.

SECRET

file

THE WHITE HOUSE

WASHINGTON

October 15, 1976

MEMORANDUM FOR: PHILIP BUCHEN
ROBERT T. HARTMANN
JACK MARSH
MAX FRIEDERSDORF
ALAN GREENSPAN
JIM LYNN
BILL SEIDMAN

FROM: JIM CANNON *Jimi*

SUBJECT: Detroit Transit Proposal

Attached for your consideration is a proposal which Secretary Coleman has made to the President. It involves a commitment of federal mass transit funds to the city of Detroit. (Tab A)

This will have a budget impact in FY 80 in that the six-year mass transit funding which the President signed in 1974 will be used up in five years.

May I have your views by close of business on Saturday, October 16, so that I may incorporate them in a memorandum to the President.

Attached at Tab B is a preliminary draft of OMB's position on this suggestion.

Thank you.

attachments



file

THE WHITE HOUSE

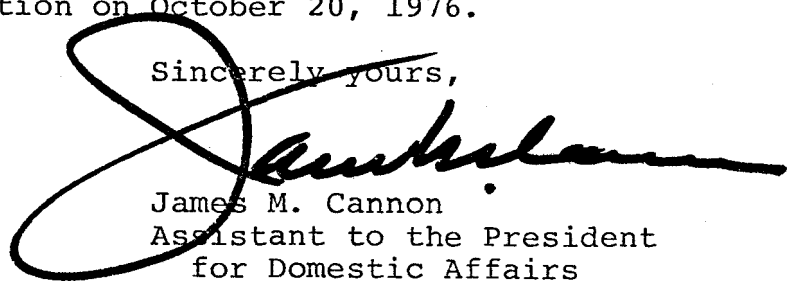
WASHINGTON

October 18, 1976

Dear Secretary Coleman:

The President asked me to inform you that he has reviewed and approved your Detroit Transit proposal of October 9, 1976. He also approves your plan to proceed with an announcement of his decision in your speech to the American Public Transit Association on October 20, 1976.

Sincerely yours,

A large, stylized handwritten signature in black ink, which appears to read "James M. Cannon". The signature is written over the typed name and title.

James M. Cannon
Assistant to the President
for Domestic Affairs

The Honorable William T. Coleman
Secretary of Transportation
Department of Transportation
Washington, D.C.

THE WHITE HOUSE
WASHINGTON

October 18, 1976

*file
sent
not*

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CANNON

FROM:

JIM CONNOR *JEC*

SUBJECT:

Secretary Coleman's Detroit
Transit Proposal

The President reviewed your memorandum of October 16 and made the following notation:

"I approve of Secretary Coleman's proposal and he has my OK to proceed with speech."

Please follow-up with appropriate action.

cc: Dick Cheney

Stamp: OCT 21 1976

THE WHITE HOUSE

WASHINGTON

October 15, 1976

1976 OCT 18 AM 9 47

MEMORANDUM FOR:

PHILIP BUCHEN
✓ ROBERT T. HARTMANN
JACK MARSH
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Thank you.

attachments

I favor doing it, but only if the President announces it (see last pgh of Coleman's letter). If he does it for Detroit, he can hold out hope for L.A. and other metropolitan areas.

RTH
10/18/76



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

October 9, 1976

MEMORANDUM TO: The President

SUBJECT: Detroit Transit Proposal

Background

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Bill
William T. Coleman, Jr.

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New York City	\$500
Northern New Jersey	\$470
Philadelphia	\$240

2. Major UMTA bus and busway commitments since FY 1975:

Denver	\$200
Seattle	\$124

3. Detroit ranks 5th in size among urbanized areas, but 12th in amount of UMTA grants through FY 1976.



Sic Transit . . .

The pleasures of urban life are not limited to the availability of sophisticated cuisine, to rich options in the arts or to opportunities to encounter cultivated minds and sensibilities. An urban joy can be as simple as taking a small boy to Coney Island on the old Sea Beach line and choosing to return to Manhattan on the F train because of its bright, quiet, new cars and the view it affords of the Verrazano-Narrows Bridge before it scuttles into a tunnel for the long serious journey under Brooklyn.

Secretary of Transportation William T. Coleman Jr. clearly understands such things and is also aware of the additional fact that the vitality of any city depends, in large measure, on whether its people are able to move through it efficiently and in reasonable comfort. He announced the approval last week of five mass transit grants totaling \$340 million to major cities to support such activities as subway construction, acquisition of buses and improvement of existing equipment. Those grants, which included \$66.7 million for New York City, bring the Department of Transportation's mass transit aid for this fiscal year to \$1.5 billion.

Next to the \$70 billion the nation has spent over the years on its more than 40,000 miles of interstate highways, that amount may seem minuscule, but compared with the \$133 million the Federal Government allocated to mass transit just six years ago, it is significant. Since 1970, the curve of Federal mass transit expenditures has climbed steadily. Moreover, cities now have the option of diverting some highway money to mass transit purposes, and a number of mayors have demonstrated the wisdom and courage to do so.

If these straws in the wind indicate that the nation is finally beginning to free itself from the grip of the highway lobby, then they are most welcome. The automatic trust fund device for funding highways has not only contributed to the noxious urban atmosphere, but to the malaise in the railroad industry and to the strangulation of the cities as well. From 1945 to 1970, the nation's investment in highways amounted to more than \$150 billion and, during that time, less than 20 miles of subway were built in the United States.

Secretary Coleman put the conflict well the other day when he said, ". . . the city that is not accessible cannot serve its people. . . . For our urban centers to survive and thrive, we must have transportation systems that circulate people in and through our cities in comfort and convenience. . . . Highways alone, where buses with 40 passengers must compete with the one-occupant car for the same piece of pavement, will not do the job."

While there is little chance that America's romance with the internal combustion engine will soon fade, there is currently a large question about whether the nation's cities can remain viable. Policies which seek to redress the investment imbalance of the past are nothing so much as they are efforts to conserve our cities and investments in our future.





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM FOR: THE PRESIDENT

FROM: Paul O'Neill

SUBJECT: OMB Comments on Secretary Coleman's Detroit Proposal - Request for Administration Commitment to Expand the Mass Transit Act

This memorandum is prompted by Secretary Coleman's October 9 proposal to you that the Federal Government should immediately commit itself to a \$600 million transit program in Detroit. The commitment would pre-empt a detailed analysis of Detroit alternatives which is required by DOT, and which is due in early 1977. This and similar major proposals (Los Angeles, Honolulu, Chicago, others) would, if approved, require annual funding levels substantially higher than those currently authorized through 1980, and impose funding requirements well beyond 1980. The Secretary accordingly also wants approval to announce next week at a convention of the American Public Transit Association (APTA) that the Administration will seek expansion and extension of mass transit legislation.

OMB believe that Secretary Coleman's Detroit memo greatly understates the budgetary ramifications and overstates the benefits of the proposal, and OMB strongly recommends that Secretary Coleman be advised not to make this or any major rapid transit commitments or announcements for at least three months so that such decisions do not pre-empt your options as you review 1978 budget requests. Specifically, if you meet with Governor Milliken on Monday, no commitment should be made other than that Detroit's proposals are under review and will receive careful consideration. OMB also recommends that no long term funding decisions be implied at the APTA conference. The following arguments support these recommendations:

Background

- Transit is not a panacea: While Secretary Coleman is correct when he states that some transit initiatives have been treated favorably by the press, an increasingly impressive array of

independent analyses are making devastating arguments against new major rapid transit projects. The BART system in San Francisco, for example, has had marginal effectiveness, carries only 2-3 percent of the trips in the Bay area, over 40 percent of its riders previously rode buses for the same trip, it only covers one third of its operating costs from the farebox, and has very little impact on land use. It principally benefits suburban commuters, not inner city residents in the Bay Area.

- Funds do not exist: DOT is beginning its third year of the six-year transit funding authority which you signed in November 1974. While funds for 1977-1980 are technically unobligated, DOT has already made commitments or planned how it might use almost every dollar. Hence, a commitment such as the one proposed would exceed planned levels and force a need for additional authority. At a minimum, such proposals should receive the greatest scrutiny possible and be compared with other competing applications for transit funds.
- Pre-empts budget trade-offs: As you know from budget previews, decisions which you have to face for 1978, 1979 and 1980 will be the toughest any President has had to face for years. The mass transit budget request for 1978 and the plan which Secretary Coleman has outlined would add \$1 billion in obligations and \$500 million in outlays to 1979 estimates above and beyond any of the targets or threats which you have already seen. DOT's overall FY 1978 request alone is already \$3 billion above planning figures for obligations, and \$1 billion above outlay targets. Recent transportation actions have added several billion dollars over your planned levels for 1976 and 1977 (e.g., ConRail, Northeast Corridor, airport grants, highway grants). Transportation budget threats for the future include not only transit, but also more for highways and railroads, and possibly aircraft noise retrofit. The DOT proposal seeks approval of an unspecified increase and extension to the transit program. What DOT actually has in mind is a transit program by 1980 well over a billion dollars higher than that assumed in your target estimates.. You should have the opportunity to examine your options in a broader context.
- Not based on analysis: Secretary Coleman argues that the UMTA program carefully controls which projects it approves. But that control only exists to the extent that proposals



are subjected to intense scrutiny by UMTA - scrutiny which is designed to help ration UMTA's funds and prevent the serious planning problems that occurred with BART, and with METRO here. Approving Detroit in advance of this review would undermine the value of normal UMTA analysis - analysis which is more than likely to reject rail rapid transit options in Detroit in favor of high quality express bus service on Detroit's excellent freeway network. Specifically, the \$600 million mentioned for Detroit is an awkward amount. It is much more than is needed for buses, a downtown people mover and commuter railroad improvements, but is too low for a new rapid transit scheme.

- Timing: There is absolutely no need to make such a decision at this time. The unrest problems which the Secretary discusses would remain unaffected by this decision for years, even assuming that a transit initiative would have some bearing on the issue.
- Long-term problems: Secretary Coleman's speech and meetings in Detroit last month are likely to be misinterpreted as an Administration promise of \$600 million to that city. They have already prematurely triggered legislative action by the Governor. UMTA is presently involved in several multi-hundred million dollar projects (Atlanta, Baltimore) which received support in 1972 pre-election speeches by former Secretary Volpe. It took years for DOT to salvage some order out of the chaos created by those speeches, and I think we should profit by those past errors and approach this proposal far more carefully.
- Operating Subsidies: Despite the superficial appeal of mass transit to the NY Times, transit is a program whose objectives and effectiveness have not been seriously examined for almost a decade. The major projects - particularly the large ones like Detroit's proposal - have extremely low benefit/cost ratios and - a point that is too often overlooked - have enormous built-in operating subsidy requirements which are never given sufficient weight at the time of the investment decisions. BART was to have been self-supporting, but only covers a third of its costs from the farebox, METRO was to have been self-supporting, but it too requires subsidies. I believe Detroit would be particularly hard pressed to cover major annual deficits of rail transit on top of its bus deficits.



Recommendation: The Administration should go slow on Detroit and on mass transit at this time. More orderly decisions can be reached during the next three months. In the meantime, there are several positive actions the Federal Government can do far short of promising \$600 million of money that we don't have for a project that barely exists on paper. For example, the downtown people mover proposal which Detroit submitted to UMTA this summer in competition with 38 other cities is reportedly very close to being one of three legitimate finalists. This is a \$50-100 million program that has been analyzed and for which funds have already been identified.

With respect to the Secretary's request to announce a legislative proposal at the transit convention next week, OMB strongly believes that it is in your best overall interests that no such commitment be made at that time. You need to have options prepared and evaluated on this issue, and the costs and benefits of this initiative compared to other initiatives. As an alternative, OMB strongly recommends that the Secretary address only the very major transit accomplishments which your Administration has already made.



Detroit Transit

THE WHITE HOUSE

WASHINGTON

October 13, 1976

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MEMORANDUM FOR:

JIM CANNON

FROM:

STEVE McCONAHEY

SGM

SUBJECT:

Secretary Coleman's
Detroit Transit Proposal

I have reviewed Secretary Coleman's proposal for a Federal commitment to a transit system in Detroit. I believe this is a positive and imaginative approach to using a transportation investment as a cornerstone of urban revitalization. I am convinced that the Detroit problem is real, and I am convinced that Governor Milliken has made a personal commitment to secure favorable approval of a Federal grant. Secretary Coleman's package represents an incentive for the local political leaders and the business community to "put their money where their mouth is."

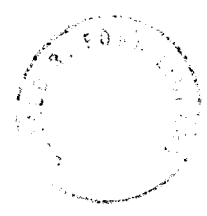
Governor Milliken has secured a financial commitment from the state legislature and has calmed the political criticisms against the Administration that has been flowing from Mayor Coleman Young and his administration. Moreover, he has approached the business community for a financial commitment. I think it would be a mistake both in terms of an Administrative response to urban needs, as well as in terms of its political impact, to turn our back on this proposal.

You should be aware that Secretary Coleman has woven into the Detroit proposal an expansion of our Federal commitment to mass transit. This will surely raise the eyebrows in OMB; however, I feel that a transit investment is one of the more positive steps that the Federal Government can make.

I have recommended that the President meet with Governor Milliken to discuss this proposal personally (I have submitted a Schedule Proposal for such a meeting).

In sum, I recommend support for Secretary Coleman's initiative.

cc: Judy Hope



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