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Trans.

THE WHITE HOUSE

WASHINGTON

November 29, 1976

*File*

MEMORANDUM TO JIM LYNN

FROM: JIM CANNON

SUBJECT: Detroit Mass Transit Decision

During the budget discussion on Saturday, the question came up of the budget implications of the Detroit Transit decision.

At Tab A is Secretary Coleman's proposal.

At Tab B is the Domestic Council decision paper which went to the President clearly explaining the budget implications.

At Tab C is Paul O'Neill's comment explaining the program and budgetary implications.

At Tab D is the President's decision.

At Tab E is the Department of Transportation's statement about the Detroit Transit decision.

In brief, it appears that no public commitment was made beyond the Detroit Transit decision.







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.

*WTC*  
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.



*B*



WASHINGTON

October 16, 1976

## MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *Jim Cannon*

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.



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.



C





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.



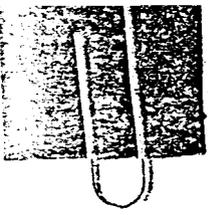
Recommendation: The Administration should go slow on Detroit and on mass transit at this time. More orderly decisions can be reached during the next three months. In the meantime, there are several positive actions the Federal Government can do far short of promising \$600 million of money that we don't 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.



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THE WHITE HOUSE  
WASHINGTON

October 18, 1976

*Lyne*  
*Judy Hop*  
*dy!*  
*Ju* ★

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CANNON

FROM:

JIM CONNOR *JCC*

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



*E*



*Revised*

OUTLINE OF REMARKS PREPARED FOR DELIVERY BY  
SECRETARY OF TRANSPORTATION WILLIAM T. COLEMAN, JR.,  
TO THE AMERICAN PUBLIC TRANSIT ASSOCIATION,  
SAN FRANCISCO, CALIFORNIA, OCTOBER 20, 1976.



I. OPENING

-- I AM VERY HAPPY TO BE HERE WITH YOU TODAY, AND I WANT TO THANK BILL STOKES FOR THE INVITATION TO PARTICIPATE IN YOUR ANNUAL MEETING.

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2

-- DURING THE COURSE OF THE PAST 18 MONTHS, I HAVE ENJOYED A STRONG AND, I BELIEVE, MUTUALLY REWARDING RELATIONSHIP WITH APTA -- AND I LOOK FORWARD TO CONTINUING THAT RELATIONSHIP.

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3

-- IT'S A RELATIONSHIP BUILT ON PERFORMANCE AND PROGRESS RATHER THAN PROMISES -- AND I THINK EVERYBODY IN THIS ROOM KNOWS THAT IN TRANSPORTATION, PERFORMANCE IS THE ONLY THING THAT REALLY COUNTS.

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4

-- THUS, BEFORE I BEGIN MY REMARKS THIS MORNING -- IN WHICH I WANT TO REVIEW SOME OF THAT PERFORMANCE WITH YOU -- I HAVE A COUPLE OF ANNOUNCEMENTS I WANT TO MAKE.



## II. ANNOUNCEMENTS

1) FIRST, I MET WITH PRESIDENT FORD AT THE WHITE HOUSE ON SEVERAL OCCASIONS IN THE LAST THREE MONTHS ON URBAN TRANSIT AND THE LAST MEETING WAS JUST THIS PAST WEEKEND. AFTER A THOROUGH REVIEW OF THE CURRENT FUNDING COMMITMENTS AND NEEDS IN URBAN MASS TRANSPORTATION NATIONALLY, THE PRESIDENT HAS ASKED ME TO ANNOUNCE THAT HE PLANS TO SUBMIT LEGISLATION TO THE CONGRESS TO EXTEND AND INCREASE THE CAPITAL FUNDING PROVISIONS OF THE NAT'L MASS TRANS. ASSISTANCE ACT OF 1974.

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6

-- AS YOU ALL KNOW, THE FIRST MAJOR DOMESTIC LEGISLATION WHICH PRESIDENT FORD TOOK AN ACTIVE ROLE IN SHAPING AND SECURING CONGRESSIONAL APPROVAL WAS THE NATIONAL MASS TRANSPORTATION ASSISTANCE ACT OF 1974. THIS LANDMARK LEGISLATION PROVIDED A SIX-YEAR, \$11.8 BILLION PROGRAM FOR PUBLIC TRANSPORTATION IMPROVEMENTS AND PERMITTED STATE AND LOCAL OFFICIALS THE TO USE A PORTION OF THIS ASSISTANCE TO MEET OPERATING REQUIREMENTS.



7

-- CONSISTENT WITH THIS ADMINISTRATION'S BROAD EFFORTS TO ENSURE THAT ALL TAX DOLLARS ARE USED EFFECTIVELY, THE DEPARTMENT HAS ACTED TO MAKE SURE THAT THIS SIZABLE PUBLIC COMMITMENT PRODUCED THE MAXIMUM RETURN FOR THE DOLLAR INVESTED.

8

-- AS ONE EXAMPLE OF THIS CONCERN, WE HAVE INSTITUTED A COOPERATIVE PROCESS TO ENSURE THAT POTENTIAL APPLICANTS CAREFULLY EXAMINE THE COSTS AND BENEFITS, AS WELL AS THE COMMUNITY AND SOCIAL DEVELOPMENT IMPACTS, OF ALL PUBLIC TRANSPORTATION INVESTMENT ALTERNATIVES IN CONJUNCTION WITH ANY APPLICATION FOR MAJOR FEDERAL DISCRETIONARY ASSISTANCE.

9

-- WE HAVE ALSO STARTED TO STRESS THAT LOCAL GOVERNMENT OFFICIALS AND INDIVIDUAL CITIZENS MUST FOCUS ON THE NEED TO FINANCE THE OPERATING COSTS WHICH WILL FLOW FROM PUBLIC TRANSPORTATION CAPITAL INVESTMENTS. WE HAVE ALSO DEVELOPED THE PRINCIPLE OF FIXED FUNDING.



- WE BELIEVE THESE STEPS HAVE PRODUCED, AND WILL CONTINUE TO PRODUCE, SOUND PUBLIC TRANSPORTATION INVESTMENTS IN OUR NATION'S URBAN AND RURAL AREAS.
- AS PRESIDENT FORD CLEARLY INDICATED LAST WEEK, WE BELIEVE THAT WELL-CONCEIVED TRANSPORTATION INVESTMENTS THROUGH EXISTING FEDERAL PROGRAMS CAN PLAY A KEY ROLE IN THE REVITALIZATION OF OUR URBAN CENTERS.

- FURTHERMORE, WE HAVE A GROWING APPRECIATION OF THE IMPORTANCE THAT EFFECTIVE PUBLIC TRANSPORTATION SYSTEMS CAN PLAY IN HELPING OUR RURAL CITIZENS LEAD MORE PRODUCTIVE AND ENJOYABLE LIVES.
- IT IS IN THIS CONTEXT THAT THE DEPARTMENT HAS BEEN CAREFULLY REVIEWING THE COMMITMENTS FOR SOUND MASS TRANSIT PROJECTS AGAINST CAPITAL RESOURCES AVAILABLE UNDER SECTION 3 OF THE MASS TRANSIT ACT.



-- OUR ANALYSIS INDICATES THAT THE FUNDS TO ASSIST WELL-JUSTIFIED CAPITAL PROJECTS WILL BE EXHAUSTED BY THE END OF FY 1979, RATHER THAN THE END OF FY 1980, AS ENVISIONED BY CURRENT LEGISLATION.



13

-- CONSEQUENTLY, THE ADMINISTRATION WILL SUBMIT LEGISLATION NEXT YEAR TO CORRECT THIS SITUATION SO THAT THERE WILL BE SUFFICIENT CAPITAL FUNDS AVAILABLE FOR THE FULL DURATION OF THE CURRENT NMTA PROGRAM.

14

-- BY PROPOSING AND ACHIEVING ENACTMENT OF THIS INCREASED AUTHORIZATION EARLY NEXT YEAR, WE WILL ENABLE STATE AND LOCAL GOVERNMENTS TO PLAN AND TO IMPLEMENT IMPROVED PUBLIC TRANSPORTATION PROGRAMS MORE EFFECTIVELY.

15

-- I BELIEVE OUR EFFORTS TO IMPROVE URBAN MASS TRANSIT, AND TO INCREASE LOCAL OPTIONS IN MEETING TRANSPORTATION NEEDS, HAVE PLAYED A KEY ROLE IN THE RESTORATION AND REVITALIZATION OF OUR URBAN CENTERS.



2) DETROIT IS A GOOD EXAMPLE OF ONE CITY THAT HAS MET THE FEDERAL FUNDING REQUIREMENTS FOR MASS TRANSIT ASSISTANCE, AND WHICH HAS DEMONSTRATED CLEARLY ITS DEDICATION TO URBAN REVITALIZATION EFFORTS.

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-- THUS, I WAS ABLE TO ANNOUNCE YESTERDAY -- IN A TELEPHONE CONVERSATION WITH GOVERNOR MILLIKEN, DETROIT MAYOR COLEMAN YOUNG AND OTHER STATE OFFICIALS -- OUR INTENTION TO COMMIT IN PRINCIPLE AN ADDITIONAL \$600 MILLION TO DETROIT FOR CONTINUED TRANSIT IMPROVEMENTS IN THAT CITY.

-- THIS COMMITMENT IS CONTINGENT ALSO UPON A MATCHING \$600 MILLION INVESTMENT BY THE DETROIT BUSINESS COMMUNITY IN ANY NUMBER OF URBAN RESTORATION INITIATIVES UNDERWAY IN THAT CITY.



-- AS YOU KNOW, THE ALTERNATIVES ANALYSIS STUDY FOR DETROIT IS NOT YET COMPLETED, SO I CANNOT SAY WHETHER THE FEDERAL FUNDS WILL BE USED TO HELP FINANCE HEAVY RAIL, LIGHT RAIL OR SOME COMBINATION OF THE TWO. HOWEVER, I FIRMLY BELIEVE THAT SUCH A DETERMINATION ( HOW TO BEST MEET THE NEEDS OF THE DETROIT AREA SHOULD REST HEAVILY ON LOCAL DISCRETION.

-- NORTHERN NEW JERSEY EXPERIENCE

20

-- DETROIT UNDER THE LEADERSHIP OF MAYOR COLEMAN YOUNG AND GOVERNOR BILL MILLIKEN, HAS DEMONSTRATED A FIRM COMMITMENT TO DEAL WITH ITS OWN PROBLEMS ON A RATIONAL AND REALISTIC

FACTS

21

-- THUS, THIS ADMINISTRATION IS PROUD TO JOIN IN PARTNERSHIP WITH THE CITIZENS OF DETROIT IN HELPING TO PROVIDE NEEDED TRANSIT SERVICES, AND AT THE SAME TIME, HELPING TO STIMULATE URBAN RENEWAL EFFORTS, JOBS AND THE ECONOMY IN THAT CITY.



III. THIS ADMINISTRATION HAS BEEN AT THE FOREFRONT OF RECOGNIZING THE IMPORTANCE OF URBAN MASS TRANSPORTATION AS A CATALYST TO THE SALVATION AND ECONOMIC REGENERATION OF THE URBAN COMMUNITY -- IN THE YEARS FROM FISCAL 1962 THROUGH FISCAL 1976, A TOTAL OF \$6.9 BILLION IN TRANSIT FUNDING HAS BEEN AWARDED TO CITIES, STATES AND LOCAL TRANSIT AUTHORITIES.

23

-- IT IS SIGNIFICANT, I BELIEVE, THAT OF THE \$6.9 BILLION TOTAL, \$5.2 BILLION -- FULLY THREE-FOURTHS OF THE TOTAL FEDERAL ALLOCATION -- HAS BEEN COMMITTED WITHIN THE LAST FOUR YEARS ALONE.

24

-- WE HAVE STEPPED-UP OUR FEDERAL COMMITMENT TO MASS TRANSIT FOR ONE BASIC REASON.



-- VERY SIMPLY, WE REALIZE THAT IF OUR CITIES ARE TO BE PRESERVED AND RESTORED TO THEIR FORMER POSITION AS CENTERS OF COMMERCE AND CULTURE; IF THEY ARE TO BE LIVABLE AS WELL AS ACCESSIBLE; IF WE ARE TO MEET THE ENERGY AND ENVIRONMENTAL NEEDS, AS WELL AS THE TRANSPORTATION NEEDS OF OUR COMMUNITIES -- THEN WE MUST PROVIDE A VIABLE ALTERNATIVE TO THE CONTINUED PROLIFERATION OF THE PRIVATE AUTOMOBILE.

-- THUS, I BELIEVE WE HAVE HELPED SIGNIFICANTLY THE REVITALIZATION EFFORTS OF CITIES SUCH AS:

C ATLANTA -- WHICH HAS RECEIVED A TOTAL FEDERAL COMMITMENT OF NEARLY \$900 MILLION FOR CONSTRUCTION OF ITS NEW RAPID TRANSIT SYSTEM



C BALTIMORE -- WHICH HAS RECEIVED \$111 MILLION TO DATE;  
 C BUFFALO, NEW YORK -- TO WHICH WE HAVE COMMITTED  
 \$269 MILLION. (THIS WAS THE FIRST COMMUNITY TO  
 SECURE A NO-STRIKE AGREEMENT PRIOR TO ITS REQUEST  
 FOR FUNDING.)

C AND, AS I NOTED EARLIER, TO THE DENSELY POPULATED  
 NORTHERN NEW JERSEY AREA, INCLUDING NEWARK, WHERE  
 WE COMMITTED A TOTAL OF \$400 MILLION IN FEDERAL  
 TRANSIT FUNDS.

-- IN ALL, MORE THAN 300 COMMUNITIES -- LARGE AND SMALL --  
 APPLIED FOR AND RECEIVED FEDERAL MASS TRANSIT FUNDING  
 ASSISTANCE FROM THE DEPARTMENT OF TRANSPORTATION.

-- FEDERAL ASSISTANCE IS CONTINGENT UPON A STRONG LOCAL  
 COMMITMENT.

C MOREOVER, IN THE AREA OF 13(c), WE HAVE  
 TAKEN MAJOR STEPS, IN CONJUNCTION WITH THE  
 DEPARTMENT OF LABOR TO SIMPLIFY THE  
 ADMINISTRATION OF THESE AGREEMENTS.



0 AFTER 12 YEARS EXPERIENCE WITH THE UMTA PROGRAM WE KNOW THAT THE CHARACTERISTIC RESULT OF UMTA GRANTS IS TO EXPAND, NOT TO CONTRACT, THE LABOR FORCE INVOLVED IN MASS TRANSPORTATION.

0 THE POTENTIAL FOR EMPLOYEE DISPLACEMENT AND DISADVANTAGE AS THE RESULT OF MOST UMTA GRANTS IS SLIGHT.

0 CHANGES IN 13(c) PROCEDURES WORKED OUT IN COOPERATION WITH THE DEPARTMENT OF LABOR ARE DESIGNED TO AVOID THE FRUSTRATION, AND REDUCE THE RED-TAPE THAT SOMETIMES HAS BEEN ASSOCIATED WITH THE CURRENT 13(c) CERTIFICATION PROCEDURES, WHILE FULLY MAINTAINING THE PROTECTION OF AFFECTED EMPLOYEES AS INTENDED BY THE LAW.



## C THE CHANGES INCLUDE:

- PUBLICATION OF WRITTEN GUIDELINES TO ASSIST APPLICANTS IN THEIR UNDERSTANDING OF THE DEPARTMENT OF LABOR'S CRITERIA FOR MAKING THE LABOR PROTECTIVE DETERMINATION

34

- SETTING OF TIME LIMITS BY THE SECRETARY OF LABOR WITHIN WHICH BARGAINING ON PROTECTIVE ARRANGEMENTS MUST BE CONCLUDED

35

- A PROCEDURE FOR MAKING A SINGLE CERTIFICATION ON A MAJOR PROJECT THAT IS ACCOMPLISHED IN STAGES OVER A PERIOD OF SEVERAL YEARS AND FUNDED THROUGH AMENDATORY GRANTS. FOR SUCH GRANTS THE DEPARTMENT OF LABOR WILL, ON ITS OWN INITIATIVE, APPLY THE SAME TERMS AND



-- ESTABLISHMENT OF CATEGORIES OF RECURRING GRANTS FOR WHICH THE DEPARTMENT OF LABOR WOULD CERTIFY ARRANGEMENTS WITHIN 30 DAYS, UNLESS OBJECTIONS WERE MADE, BASED ON EXISTING ARRANGEMENTS. THIS PROCEDURE WILL APPLY TO CAPITAL GRANTS FOR VEHICLE PURCHASE, RIGHT-OF-WAY REHABILITATION, AND GRANTS THAT ARE PART OF SPECIFIED MULTI-YEAR PROJECTS.

37.

Q STILL UNDER REVIEW IS THE ESTABLISHMENT OF A SO-CALLED 13(c) NEGATIVE DECLARATION PROCEDURE FOR GENERAL OPERATING ASSISTANCE GRANTS.



- IF THIS CHANGE IS APPROVED, SUCH GRANTS WOULD BE APPROVED WITHOUT A 13 (c) LABOR PROTECTIVE CERTIFICATION, BASED ON THE DETERMINATION THAT BY DEFINITION THESE GRANTS DO NOT HAVE AN ADVERSE IMPACT ON MASS TRANSPORTATION EMPLOYEES.

III A -- ALONG WITH SECRETARY CARLA HILLS AT HUD, AND SECRETARY ELLIOT RICHARDSON AT COMMERCE, I AM PRIVILEGED TO SERVE ON THE PRESIDENT'S COMMITTEE ON URBAN DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION.

- SINCE THIS COMMITTEE WAS ESTABLISHED BY PRESIDENT FORD LAST JUNE, WE HAVE VISITED NUMEROUS CITIES AND MET WITH HUNDREDS OF MAYORS AND LOCAL COMMUNITY LEADERS.
- OUR TASK IS TO REVIEW CURRENT PROGRAMS AND INITIATIVES, AND TO EXPLORE NEW AND BETTER MEANS OF PROVIDING FEDERAL ASSISTANCE IN URBAN RESTORATION EFFORTS.



-- THE EMPHASIS IS NOT, AS IT WAS 15 OR 20 YEARS AGO,  
ON TEARING DOWN. RATHER, IT IS ON BUILDING-UP AND  
REBUILDING -- CITIES AND THEIR COMPONENT NEIGHBORHOODS.  
-- IN A PERIOD OF SCARCE RESOURCES, BOTH NATURAL  
AND FISCAL, IT DOESN'T MAKE SENSE TO THROW-AWAY  
WHOLE NEIGHBORHOODS WHEN THESE AREAS CAN BE  
RESTORED AND PRESERVED.

---

-- SECRETARY HILLS HAS DONE AN OUTSTANDING JOB IN  
FORMULATING AND PROMOTING THE URBAN HOMESTEADING  
PROGRAM -- THAT PROGRAM WHICH ENABLES A PERSON  
WITH LIMITED RESOURCES -- WHO MIGHT NOT OTHERWISE  
BE ABLE TO AFFORD A HOUSE -- TO PURCHASE FOR AS  
LITTLE AS \$1 AN ABANDONED, HUD-FORECLOSED URBAN  
PROPERTY, AND REHABILITATE IT.



-- PROGRAMS SUCH AS THAT, ALONG WITH LOW INTEREST LOANS AND NEIGHBORHOOD IMPROVEMENT GRANTS, ARE ENABLING LOCAL COMMUNITIES, AND INDIVIDUALS WITH INITIATIVE, TO JOIN ACTIVELY IN THE TURN-AROUND OF URBAN AMERICA.

-- CERTAINLY, TRANSPORTATION IS CLEARLY ESSENTIAL TO THAT GOAL.

IV. I BELIEVE, IN TRANSPORTATION OR IN ANY OTHER AREA OF DOMESTIC CONSIDERATION, WE NEED TO BE REALISTIC. WE NEED TO ESTABLISH OUR PRIORITIES AND OUR DIRECTION WITHIN THE ECONOMIC CONSTRAINTS OF 1976.

-- MORE THAN ANYTHING, I WOULD LIKE TO STAND HERE TODAY AND TELL YOU THAT THERE IS AN UNLIMITED AMOUNT OF MONEY -- ENOUGH TO MEET ALL OF THE TRANSPORTATION NEEDS OF THIS NATION.



-- I AM SURE SECRETARY HILLS WOULD LIKE TO SAY THE SAME ABOUT HOUSING, AND SECRETARY MATTHEWS ABOUT HEALTH AND EDUCATION NEEDS.

-- BUT I THINK WE MUST REALIZE THAT OUR PRESENT RATE OF TAXATION IS ABOUT AS HIGH AS A FREE PEOPLE WILL WILLINGLY GO IN PEACETIME -- AND FOR THE FIRST TIME IN A GENERATION, WE ARE AT PEACE.

-- THUS, WE ARE FACED WITH MAKING SOME TOUGH CHOICES -- NOT SOFT PROMISES -- ABOUT HOW WE ARE GOING TO SPEND OUR FEDERAL BUDGET OF \$395 BILLION.

-- AND BEYOND THAT, WE MUST DECIDE HOW TO GET THE MOST OUT OF EVERY DOLLAR SPENT.



-- THERE HAS BEEN A LOT OF TALK THROUGHOUT THIS CAMPAIGN ABOUT MORALITY AND MORAL LEADERSHIP, BUT I WOULD SUGGEST TO YOU THAT ANY POLITICIAN WHO TELLS YOU THAT HE CAN MEET ALL OF THE PRESSING NEEDS OF THIS NATION ON THE ONE HAND, AND BALANCE THE FEDERAL BUDGET AND REDUCE THE NATIONAL DEBT ON THE OTHER -- IS LYING OUTRIGHT TO THE AMERICAN PEOPLE.

-- IT DOESN'T TAKE A DEGREE IN ECONOMICS FROM HARVARD TO KNOW THAT YOU CAN'T GRAB BOTH ENDS OF THE RAINBOW AT THE SAME TIME.

-- MORAL LEADERSHIP MEANS, TO A LARGE EXTENT, RESPONSIBLE LEADERSHIP -- AND I BELIEVE THAT JUST LOOKING AT WHAT WE HAVE ACCOMPLISHED IN TRANSPORTATION IN THE PAST TWO YEARS IS SOLID EVIDENCE OF RESPONSIBLE LEADERSHIP ON THE PART OF PRESIDENT FORD.



-- DESPITE THE CONSTRAINTS OF A TIGHT BUDGET -- MADE EVEN  
TIGHTER BY INFLATION AND PRODUCT SHORTAGES -- THIS  
ADMINISTRATION HAS DONE MORE THAN ANY OTHER FOR OUR CITIES  
AND AT THE SAME TIME, IT HAS ALLOWED OUR CITIES TO DO MORE  
FOR THEMSELVES.

50

-- WE HAVE RETURNED MORE OF THE REAL DECISION-MAKING  
POWER TO LOCAL COMMUNITIES -- (REVENUE SHARING,  
LOCAL DISCRETION).  
-- WE HAVE INCREASED THE FLEXIBILITY OF LOCAL RESPONSES  
TO LOCAL TRANSPORTATION PROBLEMS THROUGH THE INTERSTAT  
TRANSFER PROVISION, WHICH ALLOWS LOCAL AUTHORITIES TO  
DECIDE IF HIGHWAY FUNDS WOULD BE BETTER SPENT ON URBAN

---

URBAN TRANSIT

51

-- WE HAVE BROADENED FEDERAL TRANSIT FUNDING TO COVER  
OPERATING AS WELL AS CAPITAL ASSISTANCE; YET WE WILL  
CONTINUE TO OPPOSE THE NEGLECT OF CAPITAL  
IMPROVEMENTS FOR THE SAKE OF MEETING OPERATING  
DEFICITS.



52

-- WE HAVE ENCOURAGED LONG-RANGE REGIONAL PLANNING THROUGH METROPOLITAN PLANNING ORGANIZATIONS, BECAUSE WE BELIEVE THAT ONLY BY PLANNING IN THIS COORDINATED MANNER CAN THE LOCAL COMMUNITY BE BEST SERVED.

53

-- AND WE HAVE BROUGHT THE SOUND BUSINESS PRACTICE OF COST-BENEFIT ANALYSIS TO MASS TRANSIT, ASSURING THAT BOTH FEDERAL AND LOCAL TAX DOLLARS ARE SPENT IN THE MOST COST-EFFECTIVE WAY.

54

-- THESE ARE REAL, SOUND PROGRAMS WITH DIRECT AND LASTING BENEFIT TO THE CITIES.

-- I DON'T THINK THE FORD ADMINISTRATION IS GETTING DUE CREDIT FOR ITS EFFORTS IN THIS AREA.



-- HOW MANY PEOPLE REALIZE, FOR INSTANCE, THAT OUT OF A FEDERAL BUDGET OF \$395 BILLION, FULLY 57 PERCENT -- OR \$222 BILLION -- IS BEING SPENT ON DOMESTIC, PEOPLE-ORIENTED PROGRAMS AND SERVICES -- SUCH THINGS AS EDUCATION, SOCIAL SERVICES, HOUSING, VETERANS BENEFITS AND INCOME SECURITY PROGRAMS.

-- AT THE HEIGHT OF THE PROGRAMS OF THE GREAT SOCIETY IN 1968, ONLY 38 PERCENT OF OUR NATIONAL BUDGET WAS DEVOTED TO MEETING THESE NEEDS.

-- I THINK THE PUBLIC SHOULD KNOW THIS COMPARISON, BUT THE PRESS HAS NOT SEEN FIT TO POINT THIS OUT.

-- BUT I THINK THAT JUST AS WE SHOULD CONTINUE TO SUPPORT PROGRAMS THAT WORK, AND THAT GIVE A FAVORABLE RETURN ON THE TAX DOLLAR SPENT, WE MUST ALSO TAKE A HARD LOOK AT THOSE PROGRAMS WHICH TAKE MORE FROM THE TAXPAYER THAN THEY GIVE BACK IN BENEFITS OR SERVICES.



- I HAVE BEEN EXTREMELY CRITICAL OF THE AMTRAK PROGRAM  
IN THE PAST, FOR THIS REASON.
- I THINK THAT ASIDE FROM A FEW DENSELY-POPULATED  
CORRIDORS OUTSIDE OF THE NORTHEAST, (NEW YORK-  
CLEVELAND-CHICAGO, FOR EXAMPLE, OR POSSIBLY  
LOS ANGELES-TO-SAN FRANCISCO) WE SHOULD RE-EXAMINE  
WHETHER FEDERALLY SUBSIDIZED RAIL SERVICE IS THE BEST  
WAY TO SPEND AVAILABLE FUNDS.

59

## V. CONCLUSION

- THESE ARE THE KINDS OF TOUGH DECISIONS WE FACE IN 1976
- RHETORIC AND COUNTLESS PROMISES, WITH THEIR HIDDEN  
PRICE TAGS AND SCANT FOUNDATION IN REALITY, ARE NOT  
WHAT THIS NATION NEEDS.

60

- WE NEED A PUBLIC SECTOR STRONG ENOUGH TO MAKE THE  
TOUGH CHOICES, AND WE NEED A PRIVATE SECTOR THAT IS  
STRONG AND INDEPENDENT ENOUGH TO FULFILL ITS VITAL  
FUNCTION IN OUR FREE ENTERPRISE SYSTEM.



-- MOST IMPORTANTLY, WITH ONLY 13 DAYS LEFT BEFORE THE NOVEMBER 2 ELECTION, WE NEED AN AMERICAN PUBLIC THAT IS PERCEPTIVE ENOUGH TO TELL THE DIFFERENCE BETWEEN FACT AND FANCY -- AND FAR-SIGHTED ENOUGH TO MAKE THE RIGHT CHOICE ABOUT THE FUTURE DIRECTION OF THIS NATION. AND THAT CHOICE, I BELIEVE, CAN ONLY BE TO CONTINUE THE PROGRAMS AND PROGRESS OF THIS ADMINISTRATION.





# DEPARTMENT OF TRANSPORTATION

# NEWS

## OFFICE OF THE SECRETARY

WASHINGTON, D. C. 20590

FOR IMMEDIATE RELEASE

October 19, 1976

Phone: (202) 426-4321

DOT R-49-76

FEDERAL SUPPORT GIVEN  
DETROIT AREA TRANSIT

A commitment in principle of \$600 million for mass transit construction in the Metropolitan Detroit area was announced today by Secretary of Transportation William T. Coleman, Jr.

The federal funds are to be matched by \$220 million in state funds, already approved by Governor Milliken, and are contingent upon agreement by the Detroit business community to invest \$600 million in urban residential and commercial development along the route of the ultimate transit system.

Secretary Coleman noted that an alternatives analysis study for Detroit has not yet been completed and it has not been determined whether the area will be served by a heavy rail system, a light rail system, buses on exclusive lanes, people movers or some combination of these technologies.

Secretary Coleman said he is announcing the commitment of funds at this time because of the prompt action of the Governor and Michigan Legislature of enacting legislation to ensure state and local support of mass transit improvement for the Detroit area.

"The determination of the type of system," Secretary Coleman said, "should to as large an extent as possible be based on local discretion as to how the funds can best meet the needs of the area.

"I congratulate the citizens of Metropolitan Detroit and the State of Michigan on the strong leadership which has worked with us consistently and has been instrumental in our decision in principle to fund improved mass transit in Southeastern Michigan," the Secretary said.



Other contingencies placed on the commitment in principle by Secretary Coleman are that any transit construction will be carried out with union cooperation in providing training and jobs for unemployed youths, a major factor in Detroit's problem of urban unrest; and that opportunities will be provided for minority contractors.

In regard to another matter, Secretary Coleman informed Governor Milliken the Federal Highway Administration is examining the feasibility of a system of emergency call boxes for installation on Michigan highways.

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DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
Washington, D.C. 20590

Official Business

PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID  
DEPARTMENT OF  
TRANSPORTATION  
DOT 518

FIRST CLASS



MPA-1



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

October 19, 1976

Honorable William G. Milliken  
Governor  
State of Michigan  
Lansing, Michigan

Honorable Coleman A. Young  
Mayor  
City of Detroit  
Detroit, Michigan

Dear Governor Milliken and Mayor Young:

I am writing to confirm the firm commitment the Department of Transportation made to you today regarding Federal funding for transit improvements in Detroit. Specifically, the Department of Transportation, through the Urban Mass Transportation Administration (UMTA), is committing in principle \$600 million out of the 1974 UMTA Act to a broad range of transit improvements for the Detroit metropolitan area.

We are making this advance commitment importantly and primarily because of the great public leadership which you and the State legislature have demonstrated in recent weeks. You have acted at a time of considerable urgency in Detroit and you have asked us for an early response. Together, you have forged a consensus of public officials and private sector leadership at the State and local levels on the need for transit and urban revitalization investments. You have committed \$220 million in State funding to support your resolve. You have made your commitments out front as an expression of concern and support for the future of the metropolitan area. You have asked for our response now and it is in that spirit of commitment to and confidence in the future of Detroit that I make this announcement today.

As I have discussed with you, the commitment in principle requires that certain conditions will have to be met:

1. The private sector will have to make new investment commitments, on at least a dollar-for-dollar basis with the Federal funds (\$600 million), for new office, commercial and residential development in the city;



2. Building contractors, unions, and others must provide assurances that any transit construction will be carried out in a way that provides apprenticeship opportunities, skilled training and jobs for substantial numbers of unemployed city youth;
3. The transit authority and other potential grantees should provide assurances that there will be significant opportunities for the participation of minority-owned enterprises in the execution of the program; and
4. State and local governments will need to make necessary commitments for supporting infrastructure and public services to enhance the prospects for successful private investment and transit operation.

I know from our conversations that you feel that these conditions are valid and important. I share your view that major transit investments need to serve as a rallying point for an entire program of urban revitalization in which all parties can join. That commitment to urban preservation and revitalization is at the heart of DOT's decision to proceed in this manner in Detroit.

I note that the total value of the commitment to Detroit will exceed \$1.4 billion--\$600 million Federal, \$600 million private, and \$220 million in State matching funds.

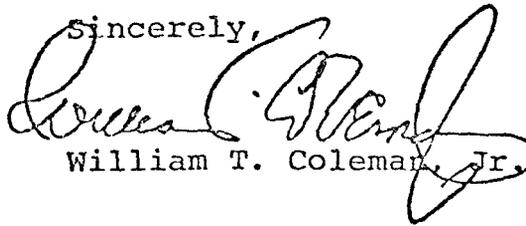
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Finally, I have asked the Federal Highway Administrator to make a maximum effort, within his authority and funding, to assist you in providing the Motorist Call Box System which you seek to enhance security and safety on the freeways in Detroit.



I am hopeful that the kind of partnership approach I have described will help to build the revitalized Detroit which we all seek. I want to reiterate that it is State and local initiative--led by a concerned Governor and Mayor, producing matching commitments from both State and local governments and the business community--which has resulted in this Federal commitment.

Sincerely,

A handwritten signature in cursive script, appearing to read "William T. Coleman, Jr.", written over the typed name.

William T. Coleman, Jr.





THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

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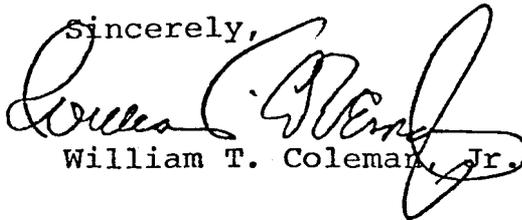
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UPA-1



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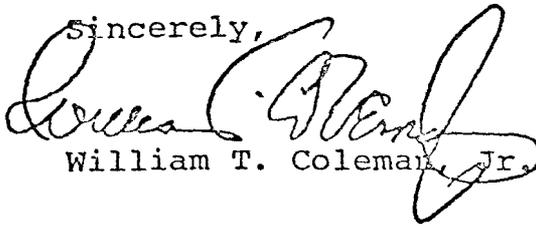
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Sincerely,



William T. Coleman, Jr.



cc: Quern  
Hope

*Transmittal*

THE WHITE HOUSE  
WASHINGTON

12 37 December 8, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CANNON  
FROM: JIM CONNOR  
SUBJECT: Jacksonville Downtown People-Mover

The attached brochure was returned in the President's outbox with the following notation:

"Dr. Lovejoy and Mr. Davis of Jacksonville, Florida saw me this A.M. and gave me this.

The doctor operated on my knee in 1972 when he was in Navy. He now practices in Florida.

I told them Secretary Coleman would make decision etc."

Please follow-up with any action that is necessary.

cc: Dick Cheney



12302f

file Trans.

THE WHITE HOUSE

WASHINGTON

December 13, 1976

76 12 13 8 57

MEMORANDUM FOR: JIM CANNON  
FROM: JUDITH RICHARDS HOPE  
SUBJECT: People Mover Project



UMTA officials advise that the announcement by the Secretary of Transportation awarding these 3 city demonstration projects should be December 22 or 23.

With respect to the Jacksonville People Mover Project, Bob Patricelli met with the Mayor of Jacksonville and the proposed contractor last week, as a result of a telephone conversation between Dr. Lovejoy and the Executive Assistant to the UMTA Administrator.

We are advised that "marathons" are scheduled for the staff to study the submitted proposals and that many of the 11 vying cities have prepared excellent proposals.

The following cities remain in the running:

- Jacksonville, Florida
- Detroit, Michigan
- Cleveland, Ohio
- St. Paul, Minnesota
- Houston, Texas
- Los Angeles, California
- Baltimore, Maryland
- Miami, Florida
- Norfolk, Virginia
- Indianapolis, Indiana
- St. Louis, Missouri



Trans.

THE WHITE HOUSE  
WASHINGTON  
December 17, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *J.C.*  
SUBJECT: People Mover Project

At this point these eleven cities are still in the running for the three city demonstration projects to be awarded:

Jacksonville, Florida  
Detroit, Michigan  
Cleveland, Ohio  
St. Paul, Minnesota  
Houston, Texas  
Los Angeles, California  
Baltimore, Maryland  
Miami, Florida  
Norfolk, Virginia  
Indianapolis, Indiana  
St. Louis, Missouri

Secretary Coleman will announce his choices on December 22 or 23.

