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THE WHITE HOUSE

PRESS CONFERENCE

OF

CLAUDE S. BRINEGAR

SECRETARY OF TRANSPORTATION

FRANK C. HERRINGER

ADMINISTRATOR, URBAN MASS TRANSPORTATION

ADMINISTRATION

JOSEPH D. ALIOTO

MAYOR OF THE CITY OF SAN FRANCISCO

AND

ABRAHAM D. BEAME

MAYOR OF THE CITY OF NEW YORK

THE BRIEFING ROOM

11:00 EST

MR. HUSHEN: As you know, the President has just signed the National Mass Transportation Assistance Act of 1974, which establishes an \$11.8 billion, six-year program to support mass transit capital and operating programs.

We have Secretary of Transportation Brinegar and Frank Herringer, the Administrator of the Urban Mass Transportation Administration, here to answer your questions. Following the briefing a fact sheet on the city-by-city breakdown will be available in the Press Office.

SECRETARY BRINEGAR: Thank you, Jack.

I have a brief statement, but first I would like to ask two mayors who are on the wrong side of the podium to join me. I don't think these gentlemen need any introduction.

A few weeks ago the President asked the Congress to pass a comprehensive, long-term transit bill. In a spirit of cooperation, the Congress has responded with a good bill; a bill that reflects the proper balance of fiscal prudence and sound transportation principles.

This bill provides nearly \$12 billion over the next six years. Nearly \$8 billion of the funds are to be used as direct capital grants in response to applications. About \$4 billion of the funds are to be allocated to urban areas of 50,000 or over over this six-year period on the basis of population density.

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(OVER)

These allocated dollars will be available depending upon local choice, for use either for capital investments or for operations. Our Department will shortly issue guidelines so the Governors, the mayors, and transit authorities who are eligible will know how to apply and when the funds will be available.

While this bill is only a part of the solution to the Nation's overall mass transit problems, it should do a great deal to help our cities improve the quality and quantity of their public transportation. And with this improvement will come energy savings, reduction in pollution, and less urban congestion.

Now Frank Herringer and I will certainly be happy to answer your questions on this bill, and perhaps even the mayors. I will take your questions.

Q Mr. Secretary, when does the money begin?

SECRETARY BRINEGAR: It begins right away. The allocated funds, the calculations have now been made. There is a table available at the end of the session that shows what the urban areas will get under the allocated portion and, Frank, right after the first of the year?

MR. HERRINGER: Shortly after the first of the year. There is a process in the bill that everyone is going to have to go through, but we would hope within the next couple of months to actually have cash going out.

Q When do you expect the first checks to actually go out? What date?

SECRETARY BRINEGAR: It depends on their responses to the requirement in the Act whether they have to provide certain information. Certainly in the first quarter.

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Q Mr. Secretary, if an urban area cannot come up with its 50 percent match for the first year, will those funds to which it is entitled be held over to a subsequent fiscal year?

SECRETARY BRINEGAR: There is a two-year holding process, yes.

Q Did the President make any telephone calls from overseas to Congressmen?

SECRETARY BRINEGAR: He sent some telegrams. Since our counting of the votes and the way it was going, it was not necessary to actually call, but he did send telegrams, one of which was read on the Floor, and made, I think, a very favorable impact on the vote. He worked hard and watched it from Japan very closely.

Q Mr. Secretary, may I ask you about a specific transit system, one which is supposed to be a model of sorts, because it is the Nation's capital here in Washington? How is this bill going to help out Metro, which is encountering quite a few difficulties?

SECRETARY BRINEGAR: The construction of metro, the capital construction of Metro is handled through a different process. That has been handled by Congress through specific appropriations targeted through this to this agency. Our department has not been a part of that process, and we would not expect to be under this bill, the construction.

This bill will provide money through the formula allocation that once it is operating -- and in fact, the bus systems now could help with the operational side of Metro. But the capital side is handled outside of this bill. This is for the rest of the Nation's cities.

Q Mr. Secretary, follow-up question on that. The Metro board, the Metro staff has proposed a new formula and new legislation for increased Federal aid. What is your initial response to that proposal?

SECRETARY BRINEGAR: We have not, our department has not, been a part of that decision-making process. The Metro organization has dealt directly with the Congress. It was under construction and well along when we started. Mr. Herringer and I started our own roles in the Department of Transportation, and we are not a part of what is going on. Again, we are administering the rest of the country.

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Q Could we ask Mayor Beame and Mayor Alioto for their opinions of the bill?

MR. BEAME: I would be delighted. I would say this is an historic occasion and one which is going to be of tremendous value, not only to New York City, but to the rest of the entire country, and I believe ranks with revenue sharing in its importance to urban centers of America.

It is going to help us in New York City keep the fare at 35 cents, and this is a very important economic -- and as Secretary Brinegar indicated -- air pollution fighter and an energy saver. So, we are very happy that this took place today, and I want to congratulate the President on the wonderful job he did, the Congress and the leadership and, of course, Pete Williams, Senator Williams, and Congressman Minish for what they did. Without them, we would not have had it.

Q Mayor Beame, just a few weeks ago, as I recall, at least this past month, you and Mayor Alioto and other mayors were here asking for emergency help for operating expenses, and the President said, "We have this bill to provide \$11 or \$12 billion. Let's wait on that." You still said, as I recall, you still needed emergency assistance. Now, is this bill going to provide the kind of assistance that you required?

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MR. BEAME: Yes, because under this bill there is a provision -- and I might say the emergency dealt with the operating subsidy. Under this bill there is a provision which permits one-half of the allotment of capital funds up to one-half to be used for operating expenses plus additional appropriation, purely for operating expenses, so in that sense it is very helpful.

Q But you were looking for very short term help. Are you going to get it quickly enough?

MR. BEAME: We certainly wanted the help quickly. Now we have a long-term bill which gives us the help quickly.

MR. ALIOTO: I wanted to add one word. I think this is historic because it marks the day when the automobile stops getting monopoly of favorite treatment from Governmental sources. While the Conference of Mayors made a very significant lobbying effort, I think it is fair to say that without the great effort made by President Ford, Secretary Brinegar, this could not have been accomplished. I think it is fair to say President Ford has now accomplished more than any President in the history of the United States for public transportation. It is our part now to take it up and carry it through.

Q Mr. Mayor, do you believe -- you were talking about this in effect has broken the highway lobby, do you believe it is fair that automobile users pay for mass transit?

MR. ALIOTO: Yes, because it directly affects automobile users to the effect, for example, that you take 10,000 cars off the San Francisco Bridge, by reason of barring them or otherwise, that obviously helps those who are even driving. Now we are trying to reduce that significantly, but I think transportation is an integrated whole, and to the extent you have balanced transportation all of it helps the other segments of it, so I think it absolutely fair to the automobile user. After all, automobile taxes are just taxes you know. There is a user concept that I think the idea of having balanced transportation helps everybody. It helps congestion. It helps pollution, and obviously that helps everybody.

Q Mayor, is the important part of this bill the fact that this is the first time the Federal Government is going to help people with operating expenses? There have been other programs that paid for capital systems before. Is that the key provision?

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MR. ALIOTO: The key provision, of course, is the fact we are now going to be permitted to subsidize operating deficits and operating deficits is just something that is going to follow on public transportation. If it were not so it would be in private hands. We would not be getting this great exodus of private enterprise from the public transportation area. So that is critical.

The fact we are going to be able to subsidize operating deficits to keep that fare box down. The ride has to be cheap, and it has to be good to be effective. So that is an element in the bill in which subsidies of operating deficits is critical. It is key. We need the capital as well. I think for the first time we are beginning to recognize that we ought not to be spending \$15 billion a year in America on highways alone, that we ought to have a balance, and this is the great significance of this bill.

SECRETARY BRINEGAR: Let me supplement the Mayor's comments. We see the bill as being important in at least three respects. First, it is a long-term bill. We have lacked that in the past. The mayors and the Governors and others can now look long-term. We cannot plan a transit solution to a city if you every year are having to come down and plead for a new program. So they now know what the Federal role is; they can think long-term.

Second, a part of this money, about a third, that will be allocated by formula can be used on local option for either capital or, as the mayor needs it, for operational assistance, for subsidies. So there is now a local decision. He has to decide if he is going to put it here or if he is going to give you something. So that kind of local trade-off we think is the right role to decide how to support the operational side. So, local flexibility for operational assistance was the key principle.

The third one is it strengthens the planning process between the Governors and the mayors and the Administration. Those, I think, are very fundamental points that will shape for a decade or more the Federal role in mass transit, and that is the reason we held out, fought and won this long-term bill.

Q Mr. Secretary, with respect to the planning process, will DOT tell urban areas how much of the \$8 billion pot they can expect to receive over the next eight years to develop transit systems?

SECRETARY BRINEGAR: No, we will not. What we will do is describe the kind of planning process we want the major cities to go through so that we can help understand and help them understand the alternatives and the kinds of mass transit solutions that might be available to them. But we will not say in advance this city gets so much, this city gets so much. We are going to respond to worthy applications in a cost benefit, national benefit sense. That is the kind of role that we see we have been trying to do in a smaller way, and will now do in a larger way.

Q Mr. Secretary, will those capital projects be funded over a full six year period or might all that money be spend within three or four or five years?

SECRETARY BRINEGAR: It is our hope to fund multi-year projects so that cities can in fact know what our role is for several years. That has been, in my judgment, a flaw of the prior practice. They would basically get a little bit of money and they would have to come down and fight for some more. I would like them to know what the Federal involvement is.

Q It will be over a full six years? Come six years you will still have money for mass transit projects?

SECRETARY BRINEGAR: Yes.

Q May I ask a question of either of the two mayors here? Both of you were laudatory of this bill and the President's part in it. I assume that you are speaking for the Conference of Mayors and this is a virtually unanimous opinion, or are you expressing personal opinions now?

MR. ALIOTO: I think this is a position of the Conference of Mayors. I am President of that Conference this year, and year after year in our resolutions, which have been adopted at conventions, we have called for operating subsidies for mass transit to give us a balanced system of transportation. The short answer is Mayor Beame and I are speaking for the Conference of Mayors.

Q Is the amount of money adequate?

MR. ALIOTO: You know, we first started out talking about \$20 billion but \$11.6 billion, in view of the inflation we have to struggle against, is going to be adequate to get us started on this road to get a balanced transportation system. I think as the virtues of public transportation become evident to the American public, that there is going to be more and more a tendency to develop systems like BART, systems such as you are developing here, and to improve the public transportation systems we have. So it is a good adequate start. It is a very, very good start.

SECRETARY BRINEGAR: There is more money available through the 1973 Federal Aid Highway Act. A part of that Act -- and that was, I think an earlier and very landmark piece of legislation that helps mass transit -- a part of the Federal Aid Highway program, the urban systems part, about \$800 million a year, can be traded into mass transit dollars, so there are other dollars available if cities decide in the States to give up some highway projects and to take a mass transit project.

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Some of that is happening in addition to this program. Boston, for example, has traded in several hundred million dollars of unbuilt interstate segments within the city in return for a long-term commitment of the Highway Trust Fund. So other dollars are available through this other program. So this is not just the only thing that we have.

Q These other dollars will not be into operating subsidies?

SECRETARY BRINEGAR: No, they are capital only.

Q Are you suggesting or promoting the idea that cities give up their highway projects and turn them over to transit?

SECRETARY BRINEGAR: I am promoting good local planning. If they decide that is the right thing, we have the process to provide the dollars. If they decide they want the highway and can build it, we have that money also.

Q There has been a good deal of confusion in the past over the 80-20 share. Can cities expect to get 80 percent Federal funds for capital improvements under this program?

SECRETARY BRINEGAR: That is what the bill calls for, 80 percent.

MR. HERRINGER: That does not mean, though, that any project that a city decides to build that we decide to participate in, that we are going to fund 80 percent of the full cost of that system. It is 80 percent of the approved project. The approved project might be somewhat less than the city is planning in total.

SECRETARY BRINEGAR: If the thrust of your question was will we fund 80 percent of anybody's idea, the answer is no. If we will fund 80 percent of an approved project, the answer is yes.

Q Mr. Secretary, at a time when the Administration is going to make budget cuts -- the President is going to send budget cuts up to the Hill -- the President is now not only lobbying on behalf of the bill but he is going to spend a lot of money. Does this indicate the President regarded this as critical or does it indicate the Administration regarded it as politically not realistic to oppose mass transit at this time?

SECRETARY BRINEGAR: It is a critical bill, and it is also a bill in which in the near term years the expenditures are within budget levels. The first year, the 1975 fiscal budget, for example, the amount of money that is provided is within the budget of dollars, so it is not a budget buster in the sense of the first year or two.

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As the years go on, the amount of money increases. And certainly it is our strong intention to have today's inflationary crisis under control as the years go ahead. So I see it as a high priority bill. The President certainly saw it that way, and the near term dollar levels, as we get started on this new program, are within budget levels.

Q Mr. Secretary, do you still need appropriations legislation to make this money available?

SECRETARY BRINEGAR: We need some reprogramming authority. We have adequate appropriations authority.

Q You are saying you have the money, you just have to transfer it?

SECRETARY BRINEGAR: Yes.

THE PRESS: Thank you.

END

(AT 11:15 P.M. EST)