

THE STATE'S ROLE IN TRANSIT IMPLEMENTATION

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•IT HAS BECOME increasingly clear in the last decade that local governments need to assume greater responsibilities in, but do not have the resources to implement, ambitious transit programs. The initial response to this insufficiency was a federal grant-in-aid program supporting the local government's transit activities. This program, while successful, has suffered from some shortcomings, two of which are germane to this paper.

First, the local governments are typically able to produce the one-third local share only for the planning of their proposed systems. In many cases, they are unable to provide the more substantial one-third share of capital cost. This has led to a great deal of planning and relatively little implementation.

Second, the direct transfer of funds from the federal level to the local government tends to short-circuit the state government's involvement in, and contribution to, transit programs. Thus, it is typical for the highway element of urban transportation to be the responsibility of the state and the transit element the responsibility of the local government. Obviously, this organizational framework does not lend itself to a balanced intermodal approach to urban transportation problems.

In many states, the response to this organizational dichotomy has been the creation of a multimodal state department of transportation. In Maryland, we like to think that we have created a model form of this type of department. As evidence, let me describe the powers, duties, funding sources, and organization of the Maryland Department of Transportation.

HISTORY OF MARYLAND DOT

The Maryland DOT was created by an act of the Maryland General Assembly in 1970. We officially opened our doors on July 1, 1971. The act combined five major existing agencies (the State Roads Commission, the Metropolitan Transit Authority, the Department of Motor Vehicles, the Maryland Port Authority, and the State Aviation Commission) into one unified department with an Office of the Secretary as headquarters. The Secretary of Transportation has final responsibility for all the activities of these administrations, including personnel administration and the power to shift functions.

The act also provided for an ample headquarters' staff in the Office of the Secretary so that the Secretary could develop programs and independently evaluate projects without relying solely on the modal administrations.

Most significantly, the act stipulated that all of the revenues of the above-mentioned administrations, including gasoline taxes, wharfage fees, vehicle registration fees, bus fares, and landing fees, be placed in a single Transportation Trust Fund. Expenditures are made from this fund in accordance with the transportation needs of the state as determined by the Department's programs rather than in accordance with their modal source.

Supporting the concept of the trust fund and providing us with much greater leverage in initiating major projects are the Secretary's bonding authority. The Secretary has the personal authority to obligate bonds up to a limit of just under a billion dollars, \$950 million to be exact. Such bonds are retired by income from the trust fund. To this time, we have obligated only about \$350 million, which was largely incurred prior to the creation of the Department. In addition, we have a Transportation Authority that can issue bonds to be retired by the revenue from toll facilities, such as the new Chesapeake Bay Bridge and the Baltimore Harbor Tunnel.

During the first year of operation, the Department prepared and the legislature passed the 1972 Consolidated Transportation Program. This involved identification of two series of transportation programs and increased our funding sources to accomplish these critical programs.

The Consolidated Transportation Program developed proposed an accelerated highway construction program, support for new rail transit systems in Baltimore and Washington, bus transit systems in the state's smaller urban areas, and port and airport improvement programs in return for an increase in the gasoline tax from 7 cents to 9 cents and an increase in the Department's bonding authority from \$450 million to \$950 million. The General Assembly approved this program in 1972.

As a part of the 1970 act creating the DOT, the Baltimore Metropolitan Transit Authority was brought within the Department as a full-line administration that has equal status with the highway administration. This reorganization thereby placed the full faith and credit of the State of Maryland behind the guarantee of public transportation throughout Maryland urban areas and, incidentally, made us the only state in the Union, to the best of my knowledge, that owns and operates a major urban area transit system.

In recognition of our multimodal powers and responsibilities, and perhaps more importantly because of the unusual cooperative relationship that we have been able to establish among the Department, the Baltimore Regional Planning Council, and the local agencies in the region, the U.S. Department of Transportation has designated our Department as the single grant recipient of transportation planning funds for the Baltimore metropolitan area. I might also note that in the Washington region, where the Metropolitan Washington Council of Governments is the grant recipient, the results of a similar cooperative process are much the same.

PROGRAMS UNDER WAY

As a result of all these activities, the Department now has under way a statewide transit development program. I would like to describe some of the particulars of this program so that you can understand the depth of the Department's commitment in this area.

Baltimore

In the Baltimore metropolitan area, the Department directly operates the dominant bus system. Within the next few months, we hope to become the sole supplier of urban bus service in the region. We now operate over 800 buses and carry in excess of 100,000,000 revenue passengers per year. The success of the Baltimore operations has depended on substantial federal assistance. UMTA has been a full partner with us in accomplishing the quality service we feel we are now providing. An UMTA grant in late 1970 of \$19 million permitted the Metropolitan Transit Authority, the predecessor to our transit administration, to buy 370 new buses and to buy the largest private bus company in the Baltimore region. A current grant application to UMTA for \$5 million, of which we have just recently received approval, will enable us to add an additional 100 buses and buy out the remaining operators in the region.

The Department believes that, in addition to this bus system, the realization of the full potential of improved public transportation requires the implementation of a rail rapid transit system for the Baltimore area. The advantages of speed, comfort, reliability, and frequency of service clearly indicate the superiority of transit operations on grade-separated exclusive rights-of-way.

Our efforts to achieve this type of system took a giant step forward last fall with approval by UMTA for two-thirds funding for the first year of expenditures for the phase I system. Phase I is 28 miles long, with 20 stations, and consists of two routes converging in the downtown area of Baltimore. The first 2 years of implementation are principally occupied with final design, property acquisition, and utility relocation, followed by heavy construction in 1975. The entire phase I system is currently scheduled to be operational in 1978.

Joint operation of the bus and rail system will be the responsibility of a single agency, our Department's Mass Transit Administration.

Washington

As I mentioned earlier, the role of the Maryland Department of Transportation in the Washington metropolitan area is somewhat different from its role in Baltimore principally because of the nature of the region. It is generally agreed, and the Department concurs, that the most efficient and effective means of providing urban transit service is through a single, region-wide operator. In Washington, this realization has led to the creation of the Washington Metropolitan Area Transit Authority. The Authority has been building Metro, the nation's most ambitious rail rapid transit system, and is now in the process of acquiring all of the region's private bus operators.

Although the Authority is the operator in the region, the Maryland DOT still has a responsibility for transit service inasmuch as approximately 40 percent of the region's population are Maryland citizens contributing to the Transportation Trust Fund. Accordingly, the 1972 Consolidated Transportation Program specified that the remaining obligation of the Maryland counties for the construction of Metro, \$161 million, be wholly assumed by the Maryland Department of Transportation. In addition, we are funding 75 percent of the Maryland counties' share for the acquisition and modernization of the bus system. The Department does feel, however, that any operating subsidies are properly the responsibility of the entity that determines the magnitude of these subsidies, the local operator. Hence, we do not participate in operating subsidies for the system in Washington, as we would in Baltimore.

For both the Baltimore and the Washington rail systems, the Department, with assistance from UMTA, will conduct station access studies to identify means of improving highway access to the stations. Because in the suburban stations nearly all the patrons arrive by either feeder bus or automobile, sufficient highway access is essential for the success of the rail system.

Commuter Rail

The Maryland DOT may also become involved in the provision of commuter rail service to the Washington area. The Penn Central and B&O Railroads currently operate a limited commuter rail service through the Maryland suburbs into Union Station. Although patronage has been increasing, both railroads continue to be unable to provide adequate service in the face of escalating operating deficits.

To prevent the continued deterioration and probable collapse of the commuter rail operation, the Maryland DOT is now in negotiations with the railroad companies. These negotiations will likely result in the railroads providing improved service on a contract basis and the state providing an operating subsidy.

Nonmetropolitan Area

The Maryland DOT recognizes that not all of the transit needs of Maryland are within the Baltimore and Washington metropolitan areas. In the nonmetropolitan areas of the state there is a significant portion of the population that does not have access to automobiles, including the aged, the young, the poor, and people unable or unwilling to drive automobiles.

In response to these needs, many of the state's small cities, including Ocean City, Salisbury, Hagerstown, Frederick, Annapolis, and Cumberland, have existing bus companies, either privately or publicly owned. However, as is typical around the country, the service so provided is generally inadequate, unreliable, and deteriorating. It is also typical about the country that small cities are unsuccessful in securing UMTA funding for improved transit systems because (a) they generally lack the experienced full-time technical staff capabilities that exist in the larger metropolitan areas, and (b) they cannot afford the time or personnel to become adequately familiar with the ever more complex red tape associated with federal grant requests.

To rectify these deficiencies, UMTA is currently negotiating a program with us under which the Maryland DOT will function as the grant recipient through which UMTA transit planning funds within the state will be administered with the exception of the Washington metropolitan area. Communities not interested in seeking state financial

or technical participation still will be free to seek UMTA assistance on their own as they have in the past.

These funds would then be applied in small urban areas that desire to lay the groundwork for transit improvements. UMTA is enthusiastic about this approach, in that it would eliminate a great deal of paper work associated with the processing of numerous small technical studies grant applications and the educational groundwork that UMTA would have to lay with each of these smaller communities where the experience with federal grant applications is limited.

Under this program, the Maryland DOT would provide technical and management assistance to areas expressing an interest in transit development, thereby serving as an interface between the community and UMTA. The Department would then provide three-fourths of the local share for communities that are found to qualify for such assistance. The UMTA funds would be administered as a block grant to the state with the requirements and study designs for each project to be worked out through a close relationship between Maryland DOT and UMTA technical staffs.

After the planning has progressed to the appropriate level, the Department would assist the local area (as represented by the city, the county, or, perhaps, a local transit authority) in the preparation of a capital assistance grant application to UMTA. As in the Washington example, the Maryland DOT would provide up to 75 percent of the local share for this grant. The remaining 25 percent and the operating subsidies, if any, would be the responsibility of the local jurisdiction.

With this arrangement, control over transit operations will be located primarily at the local level, in order that the service provided is responsive to the maximum extent practical to local desires. At the same time, federal and state financial assistance will make it possible to translate these desires into reality. To ensure that this process works smoothly, the Maryland Mass Transit Administration has created a new Division of Transit Development to administer this program.

One such desire that generates enthusiasm at the local level, and at Maryland DOT, is the extension of these small urban area bus lines into sparsely populated rural areas. Rural residents who do not have access to automobiles are virtually cut off from employment, medical services, and shopping. In Maryland, these people number in the hundreds of thousands. It is hoped that financial support of the urban systems from the public sector will enable these systems to reach out to this transit-dependent population.

Recently, the Department sponsored a statewide seminar for county and local officials to explain our proposed program of small area transit assistance. We had an attendance of more than 75 officials representing all regions of the state. The response of this group and the cooperation we received from UMTA were really gratifying. Our biggest problem now appears to be finding the staff time to do full justice to all of the communities that have shown interest in the program.

CONCLUSIONS

I hope that this overview of the Maryland DOT's transit programs has given an appreciation of the breadth of participation that is made possible by the organizational and financial framework of our Department. All types of expenditures—planning, capital, and operating—can be made in response to a specific area's needs, as determined by the Department. These expenditures can be made anywhere in the state, and they can be made without reference to their modal source.

Thus, Maryland perhaps has a better opportunity than any other state in the country to provide transit service on a statewide basis and to respond to our full range of transit needs. Whereas many of our programs are just getting started, we believe we are going to move very quickly and, we hope, very effectively.

In a very short time period, funding for transit implementation at the state level in Maryland has gone from zero to approximately \$400 million of currently programmed improvements.

Our programs within the state are comprehensive and diverse. We feel that is an absolute necessity. Transit programs must be designed for individual application and must be flexible enough to satisfy the full range of local needs and aspirations.