

of a piece of land which, when sold by the agency, could be developed with financial assistance under title X or developed without any form of Federal or State assistance whatsoever.

The precise character of the development of land whose acquisition by the land development agency is financed under the direct loan program would not be known until the agency is prepared to sell it off for development.

It is really at this point (the point of intensive development of the land for a residential neighborhood, subdivision, or new community) that the title X mortgage insurance program could come into play.

TITLE III—URBAN MASS TRANSPORTATION

Proposed increase in grant authorization

Title III of the bill would increase by \$95 million the grant authorization for the urban mass transportation program. This program, carried on under the Urban Mass Transportation Act of 1964, provides grants or loans to assist localities in financing needed mass transportation facilities and equipment. The program also provides grants for projects to develop, test, and demonstrate new or improved mass transportation facilities, equipment, or techniques.

The Congress has already appropriated \$320 million of the initial \$375 million authorization provided for this act. The requested new authorization of \$95 million, added to the \$55 million balance of the present authorization, would permit continued funding of the program for fiscal year 1968 at the \$150 million level recommended by the administration.

The Congress originally appropriated \$60 million for this program for fiscal year 1965. In 1966 it provided a 2-year appropriation—\$130 million for fiscal year 1966 and an advance appropriation of the same amount for fiscal year 1967. The President's budget for fiscal year 1967 requests an advance appropriation of \$150 million this year to continue the advance funding of the program through fiscal year 1968.

Advance funding is essential in the urban mass transportation program. It allows communities time to plan their projects with assurance that funds will not be exhausted during the leadtime—several years in the larger projects involving fixed facilities—between starting to plan for a project and applying for grant assistance.

Program activity

The proposed \$150 million program level for fiscal 1968 is well supported by the volume of applications in hand or known to be in preparation. Thirty-seven million of the current year's appropriation is already committed, and applications are in hand for an additional \$114 million. It is expected that these applications will result in approvable projects which will use up the remaining \$93 million of this year's \$130 million appropriation.

Additional applications are coming in at an increasing rate, already equivalent to over \$140 million a year. It is very probable that this rate will continue to increase during fiscal 1967 and 1968. For one thing, we expect more larger cities to be submitting project applications. The current backlog of applications points in that direction; and the development of new transit systems and extension plans for existing systems—such as in Atlanta, Los Angeles, Chicago, Cleveland, Boston, New York—would indicate a heavy call on Federal assistance for larger city projects within the next few years.

Program experience—Capital improvement groups

This program is providing capital grant assistance to communities of all sizes, including some faced with a breakdown or total loss of public transportation service. Twenty-five projects have been approved, for a maximum Federal grant commitment of about \$87.3 million. These are distributed among 17 States in every section of the country, to urban communities of every size—from the city of Kenner, La. (population 17,000), for two buses and a storage garage, to the city of New York, for 400 new rapid-transit cars for the subway system.

About 60 percent of the capital grant commitments have been for the purchase and rehabilitation of equipment, including buses, rail rapid transit and commuter cars, ferries (for the Puget Sound commuter service), and miscellaneous equipment. Transit facilities projects have included a two-way radio installation for the Alameda-Contra Costa bus system, a station modernization program for the Boston area subway system, construction and improvement of bus shelters in