



DEPARTMENT OF TRANSPORTATION

NEWS

URBAN MASS TRANSPORTATION ADMINISTRATION

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Secretary of Transportation John A. Volpe today announced the award of a \$324,617 contract to Arthur Andersen & Company of Washington, D.C. to develop a data system for the transit industry designed to improve economic analyses of transit companies' financial and operating problems.

"For decades," Secretary Volpe said, "the public transportation industry has experienced a pattern of increasing costs, escalating fares and declining patronage. The effort to keep public transit moving has caused governments at all levels to become increasingly involved in the industry's problems. Since 1965, grants and loans administered by the Department's Urban Mass Transportation Administration have saved or stabilized transit systems in 60 cities.

President Nixon in his State of the Union Message said: "In the past two decades, highway building has been our greatest success story. Now we must write a similar success story for mass transportation."

"To better implement the President's mandate, greater knowledge of the underlying causes of the transit industry's problems is necessary and this study will contribute to that end," Secretary Volpe said.

In addition to meeting the needs of the transit industry and the Federal government, the reporting systems will be designed to inform state and local governments.

The study has the objectives of (1) determining the information requirements of the potential users of the data system; (2) the development of reporting standards; and (3) the testing of these standards against the capabilities of the industry to abide by them.

The study is to be completed in 18 months.

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