



# DEPARTMENT OF TRANSPORTATION

# NEWS

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This is the U.S. Department of Transportation Broadcast News Service for Friday, January 26, featuring part five of the special series on no-fault insurance and a report on a historical loan for Boston's urban transportation. First, a story on the Boston loan.

"Transportation Secretary John Volpe signed an agreement for \$19.5 million with Massachusetts Governor Francis W. Sargent today, for a Federal loan which the Massachusetts Bay Transportation Authority will use to purchase Penn Central rights-of-way serving metropolitan Boston. This is the first advance acquisition loan to be given under the 1970 Mass Transportation Act. At the presentation ceremonies Secretary Volpe commented: 'All told, the \$19.5 million will be used for the purchase of some 145 miles of right-of-way, and we are looking forward to that utilization. The MBTA has presented a comprehensive plan earmarking these corridors for future public transportation use and we are delighted that the Nixon Administration is in a position to advance the funds at this time, so the lines will be preserved as transportation facilities. They are a vital asset to the entire Boston region -- an asset certainly worth saving for transportation. It's quite significant that on this probably my last official act, we are continuing a process we began four years ago - and that is to bring more balance into our transportation modes.'

In the final report of the no-fault series, Department spokesman Richard Walsh looks at the imbalance of accident compensation under present types of insurance.

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"One of the problems with the present system of auto liability insurance is that it tends to grossly over-compensate victims with small personal injuries while grossly under-compensating those with very serious injuries. For example, when his loss was less than \$500, the typical victim paid by liability insurance received 4 1/2 times his actual economic loss. However, if his loss was \$25,000 or more, he typically recovers only 1/3 of his losses.

"No-fault insurance usually attempts to help redress this imbalance by curbing the amount of over-payment for so-called 'pain and suffering' in the smaller cases and freeing these funds for the more seriously injured victims or for the reduction of insurance premiums. No-fault thus supports two important goals -- a fairer allocation of insurance benefits among different classes of accident victims and a more efficient employment of the motorists' insurance dollar."

This has been the Transportation News Report for Friday, January 26. For a repeat of any portions or for all cuts of the no-fault series, dial 202-426-0398. Monday, the Broadcast News Service will feature excerpts from the Department of Transportation Budget Briefing.

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