



# DEPARTMENT OF TRANSPORTATION

# NEWS

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The U.S. Department of Transportation Broadcast News Service for Monday, September 24, has actualities on mass transit fare subsidies and railroads.

At a news conference today in Detroit, Federal Railroad Administrator John Ingram was asked what we can do to avoid Penn Central situations in the future. He commented:

"The problem is-how do you provide good transportation for those who need it in a competitive situation. And everyone knows there's competition. All you have to do is look at those ore boats going up and down the Detroit river and count the trucks on the highways and you know the railroads have a tough competitive problem. All of our regulation of railroads is based on a fact that no longer is true -- that the railroads are a monopoly. They are not a monopoly. There is no monopoly profit. A three percent return on investment can't be considered gauging the public. We've got to upgrade the conventional wisdom and start talking about providing the kind of transportation the nation needs at a reasonable price."

Urban Mass Transportation Administrator Frank Herringer spoke today to the Amalgamated Transit Union in Miami and talked about Federal fare subsidies and local decisions, he said...

"I agree that free or low fare transit does increase ridership, but improved transit service is also an important determinant of the success of a system. In the final analysis, the question of fare level must be settled at the local level...and not by Washington. We are certainly not smart enough to set the fare in each and every city in the country, and I sincerely hope we are never forced into that business through a Federal subsidy program. We are certainly not

against subsidies, but we feel they should be provided by the State and local government. Pressures to work out proper local fares, routes, manpower levels, wage rates, traffic regulations, and land use must be dealt with at the local level, where the real knowledge and responsibility exists."

This has been the Transportation News Report.

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