



DEPARTMENT OF TRANSPORTATION

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The U.S. Department of Transportation Broadcast News Service for Friday, October 26, has a story on government subsidies of local mass transit deficits.

Urban Mass Transit Administrator Frank Herringer, speaking at a management seminar in Washington, D.C. today, described the government's role in operating subsidies for local mass transit systems:

"Our view is that the operating side is properly a local and state responsibility; that if we got involved in operating subsidies - in providing subsidies for the operating of mass transit properties - then we'd have to get involved in the day-to-day operations. We would have to get involved in fare setting decisions and schedules and maintenance and the like, and we just don't think that is a proper Federal role. Also, UMTA would have to expand five times in order to really do a job there. As far as the general question of subsidies, we've taken the position, and I think it's the right one, that we're not opposed to operating subsidies. We're not opposed to transit properties operating at a deficit, but we just think that the deficit - if there is a conscious local decision to incur a deficit - it (operating subsidies) should be provided by state and local funds."

This has been the Transportation News Report.

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