



# DEPARTMENT OF TRANSPORTATION

# NEWS

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## URBAN MASS TRANSPORTATION ADMINISTRATION

WASHINGTON, D.C. 20590

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U.S. Secretary of Transportation William T. Coleman Jr., today announced amendments to two previously awarded grants for subway construction in the New York City Metropolitan area.

In accordance with the decision of the New York City Transit Authority and the city of New York to delay further construction of the Second Avenue Subway (No. NY-03-0044), the Department's Urban Mass Transportation Administration (UMTA) has reduced its funding of that project by \$74,000,000 to \$43,144,609.

In a second action, the UMTA grant for construction of the Archer Avenue Line (No. NY-03-0051), has been increased by \$74 million to \$125,120,000. The grant amendments reflect a change in construction priority from the Second Avenue Subway to the Queens Trunk Line of which the Archer Avenue Line is a part.

The additional funding for the Archer Avenue Line also makes available an immediate transfer of \$37 million to the New York City Transit Authority for operating expenses.

Recent changes in the Federal legislation permits borrowing for operating expenses of up to 50 percent of the funds approved by the Federal Government for capital improvements. Previous commitments of \$175 million resulted in \$87.5 million being authorized for New York's operating expenses. These funds when added to operating assistance made available through the project transfer brings the total amount borrowed for operating expenses to \$124,500,000.

Section 5 provisions of the National Mass Transportation Assistance Act of 1974 also provided for outright grants to assist in local operating

expenses. Funding of \$30,861,626 has been made available to New York for operating costs under the recently enacted provisions for a total Federal subsidy of \$153,361,626 to offset current year operating expenses.

Regulations provide for an equal amount of State or local funds to be substituted for the capital project by the end of the fiscal year in which the grant was made.

Including the grant announced today, New York City has received \$249 million during the 1975 fiscal year and are exercising their option to use one-half of this amount for operating costs.

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For further information contact the UMTA Office of Public Affairs at (202) 426-4043 or Mr. David L. Yunch, Chairman, New York City Transit Authority, 370 Jay Street, Brooklyn, New York 11201, (212) 262-8505.

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