



# DEPARTMENT OF TRANSPORTATION

# NEWS

## URBAN MASS TRANSPORTATION ADMINISTRATION

WASHINGTON, D. C. 20590

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U. S. Secretary of Transportation William T. Coleman Jr., today announced the award of a \$30.9 million grant -- the first time Federal formula funds have been made available to cover local operating expenses -- to New York's Metropolitan Transportation Authority (MTA). The funds will pay operating expenses for the New York City Transit Authority and the Manhattan and Bronx Surface Transit Operating Authority for the local fiscal year ending June 30, 1975.

The \$30,861,626 grant, awarded by the Department's Urban Mass Transportation Administration (UMTA), is the first to be awarded under Section 5 provisions of the Urban Mass Transportation Act of 1964 as amended.

"The legislation is of great significance for the future of public transportation," Secretary Coleman said. "It represents a major opportunity to improve the quality of life, particularly for those living and working in our nation's urban centers."

Commenting on implementation of the highly complex Section 5 provisions of the Act, UMTA Administrator Frank C. Herringer expressed pleasure at "The relatively short time required to implement this major program." Herringer added, "We are able to make this first Federal grant for transit operating subsidies today only because of the high degree of cooperation and expeditious handling at all levels of government."

Approval of the grant follows assurance by the State and local governments that non-fare box revenues will be maintained for provisions of mass transportation services on a level equal to or exceeding assistance provided for the two preceding local fiscal years. Other requirements are to improve or continue service and to establish a procedure for charging not more than one-half of the peak hour fare to elderly and handicapped persons during non-peak hours. The New York City Transit Authority already is in compliance with much of this requirement and will be fully in compliance by August 14, 1975.

Section 5 provides -- for the first time -- Federal assistance to local transit systems to meet operating as well as capital costs of maintaining and improving public transportation. The 1974 amendment authorizes \$3.975 billion for the program for fiscal years 1975 through 1980. The grants are awarded to urbanized areas on a statutory formula apportionment basis. Section 5 provides for Federal funding of up to 50% of operating assistance and up to 80% of capital assistance projects.

The Section 5 provisions give transit systems the opportunity to assess total transit service needs and meet them with Federal assistance.

"The Department encourages communities to use this opportunity," said Herringer, "to re-examine their transit needs and reassess their priorities."

The New York State Department of Transportation and New York City Transit Authority are providing the local share of the total project cost.

For further information contact the UMTA Office of Public Affairs at (202) 426-4043 or Mr. David L. Yunich, Chairman, Metropolitan Transportation Authority, 1700 Broadway, New York, New York 10019, (212) 262-6418. (UMTA Project No. NY-05-4002).