



DEPARTMENT OF TRANSPORTATION

NEWS

URBAN MASS TRANSPORTATION ADMINISTRATION

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Statement regarding Presidential veto of H.R. 10511 concerning the restrictions against the provision of charter bus service by grantees who receive Federal financial assistance for the purchase of buses.

President Nixon on January 4, 1974, pocket vetoed H.R. 10511, the so-called charter bus provision, an amendment to Section 164 (a) of the Federal-Aid Highway Act of 1973. The President's action was a positive step for mass transit.

H.R. 10511 would have allowed the continuation of restrictions on charter bus activities of mass transit companies, if those companies purchased buses utilizing Federal-Aid Highway funds. Signing this bill would have the effect of negating the major gains won for mass transit in the passage of last summer's highway legislation. One of the primary objectives of this legislation was to give local authorities the flexibility to use Federal-Aid Highway funds for transit purposes, if that is what is required to meet local needs. The practical effect of H.R. 10511 would have been to make the purchase of buses with Federal-Aid Highway funds so unattractive that few, if any, local authorities would even consider this option. This was certainly not the objective of the Federal-Aid Highway Act of 1973.

H.R. 10511 would have removed the undesirable restrictions of Section 164 (a) as they apply to buses purchased with Urban Mass Transportation funds. However, by leaving Section 164 (a) in

effect with respect to the purchase of buses under the Federal-Aid Highway Act of 1973, the Bill would have created disparate standards between the two programs, severely biasing potential grantees against the use of Federal-Aid Highway funds for transit.

At a time when we are faced with gasoline shortages, we should be taking all possible steps to give local authorities the option to use Federal transportation funds for mass transit purposes, if that is what they desire. Consequently, the Administration strongly supports and urges quick passage of legislation, similar to H.R. 10511, but applicable to both the Federal-Aid Highway program and the Urban Mass Transportation program.

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