



U.S. Department of
Transportation

News:

M-49

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

FOR RELEASE WEDNESDAY
November 23, 1988

UMTA 15-88
Contact: James L. Bynum
Phone: (202) 366-4043

FOUR TRANSIT OPERATORS SELECTED AFTER NATIONWIDE COMPETITION FOR RAILCAR COST-CUTTING PROJECT

Four transit system operators have been selected in a national competition to participate in stage one of an innovative \$800,000 federal program designed to find ways of cutting the high cost of railcars, it was announced today.

Alfred A. DelliBovi, Administrator of the Urban Mass Transportation Administration (UMTA), said the four systems successfully competed against more than a dozen others which filed applications in the new program.

"I am delighted with the quality of applications received as we move to do something about the high cost of railcars used in today's mass transit," DelliBovi said. "If we fail, no system anywhere, under any set of economic forecasts, is going to be able to afford to buy the cars it needs to get running or to replace cars currently in service."

He noted that the cost of the average railcar in transit service has increased more than fourfold over the past 16 years, from under \$300,000 in 1972 to more than \$1.2 million today. By comparison, the growth rate of the Producers' Durable Equipment Index for the same period was 204 percent.

"As the million-dollar railcar has become common, the American railcar manufacturing industry has disappeared," DelliBovi said. "The procurement process has become more complicated due to many factors, including a lack of standardization, irregularity of car orders and car complexity."

"Our goal is to decrease the cost of railcars, allowing more to be purchased and used to increase public transit service," he said.

(more)

The first stage of UMTA's competition sought applications for UMTA technical study grants to develop a specification and bid package that would result in a lower priced railcar, DelliBovi said. The second stage will involve the award of a capital grant to the transit property that has most effectively achieved the goal of cost containment.

The four transit systems and the grants awarded are:

Atlanta Regional Commission, in cooperation with the Metropolitan Atlanta Regional Transit Authority (MARTA), \$208,000. The project will identify and evaluate significant cost elements in railcar manufacture and revise procurement procedures accordingly.

New Jersey Transit, \$200,000. The operator will conduct a comprehensive analysis of its procurement process and contractual requirements with an eye toward how cost savings may be achieved.

Metropolitan Rail (METRA - Chicago Commuter Rail), \$200,000. The project will identify commuter railcar costs which can be changed in order to obtain the lowest bid prices on future orders.

Southeastern Pennsylvania Transportation Authority (SEPTA), \$192,000. The agency plans to identify all potential factors which contribute to railcar costs, develop alternatives to reduce them and write new contract specifications for future rolling stock procurements.

#

U.S. Department
of Transportation

**Urban Mass
Transportation
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

Official Business
Penalty for Private Use \$300

Postage and Fees Paid
Urban Mass
Transportation
Administration
DOT 511

