



U.S. Department of
Transportation

News:

Office of Public Affairs
Washington, D.C. 20590

FOR IMMEDIATE RELEASE
Wednesday, June 23, 1982

UMTA 17-82
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DOT POLICY CHANGE HELPS PRIVATE TRANSPORTATION CARRIERS

Urban Mass Transportation Administrator Arthur E. Teele, Jr., has announced a policy change which makes it possible for private transportation carriers to compete for specialized transportation services for elderly and handicapped persons.

The services affected are those sponsored by non-profit organizations whose vehicles are funded by the federal government under Section 16(b) (2) of the Urban Mass Transportation Act. The new policy rescinds a federal prohibition on the leasing of federally funded vehicles to private-for-profit public transportation operators by recipient agencies.

"Today's announcement is consistent with the Reagan Administration's philosophy which encourages greater private sector participation in providing public transportation," Teele said.

Teele noted that many non-profit agencies seeking to provide needed services to elderly and handicapped persons are not experienced in providing actual transportation services. Private carriers, like taxi operators, exist in virtually every community and are a readily available and experienced resource for providing transportation services.

Teele said, "The recent policy change gives non-profit agencies more flexibility and another option for efficiently providing specialized services to elderly and handicapped persons."

Carole Foryst, UMTA Associate Administrator for Budget and Policy, described the new policy at the mid-year conference of the International Taxicab Association in Montreal, Canada, on June 21st.

Foryst pointed out that the new policy statement on Section 16(b) (2) of the Urban Mass Transportation Act would allow for vehicles purchased with these funds to be leased to private operators.

Foryst stressed the point that financing under Section 16(b) (2) generally is considered as a last resort. Such funds are provided to private non-profit organizations only when transportation services from other sources are inadequate.

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