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## DOT RELATES EFFECTS OF REAGAN PROGRAM ON NEW YORK CITY TRANSIT

Urban Mass Transportation Administrator Arthur E. Teele, Jr. today reiterated the Reagan Administration's intention to phase-out federal operating subsidies for the nation's urban mass transit systems.

At a hearing in New York chaired by Sen. Alfonse D'Amato, Teele told the Senate Appropriations Committee's subcommittee on Transportation that "while a federal role supporting capital investment in transit systems is productive, federal operating assistance is not."

Numerous federal regulations and procedures for operating subsidies have driven up the cost of operating transit systems in municipalities receiving federal funds, Teele said.

The federal effort to increase transit productivity includes such measures as returning decision-making to state and local governments, greater financial flexibility in planning and managing transit systems, and encouraging private enterprise participation in local transit operations.

Teele testified in support of the President's economic recovery program at the hearing called by D'Amato to assess the impact of federal budget cuts on New York City transit operations.

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