

The original documents are located in Box C1, folder “Presidential Handwriting, 8/14/1974” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

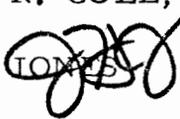
Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE WHITE HOUSE
WASHINGTON

August 14, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: KENNETH R. COLE, JR.
FROM: JERRY H. TOMES 
SUBJECT: Transit Operating Subsidy

Your memorandum to the President of August 13 on the above subject has been reviewed and the following was noted:

--Funding above our figure - FIRM no. Limited flexibility on operating subsidy.

Please follow-up with the appropriate action.

Thank you.

cc: Al Haig
Bill Timmons
Roy Ash

THE WHITE HOUSE

WASHINGTON

August 13, 1974

MEMORANDUM FOR THE PRESIDENT
 FROM: KEN COLE
 SUBJECT: TRANSIT OPERATING SUBSIDY

The House will consider tomorrow a mass transit bill. This is a \$20 billion 6-year bill which includes funds for operating subsidy. Our bill provided \$9.3 billion and allowed for a limited operating subsidy program which would go out on a formula basis, thus forcing local and State officials to make the decision whether to use the funds for capital or operating purposes. The Committee bill would put the funds out on a discretionary basis which could result in detailed Federal involvement in local wage negotiations, fare policy, etc.

Representatives Rhodes and Harsha have indicated serious problems with the operating subsidy provision of the Committee bill. Although amendments will be offered on the floor to tighten up this provision, they are expected to run into severe opposition by the Democrats, especially those from the large cities. Mr. Harsha has requested an Administration position on the funding level and operating subsidy issues.

Secretary Brinegar is prepared to respond, stating that we still support our funding level of \$9.3 billion as meeting transit needs consistent with our fight against excessive Federal spending. He will not draw a firm line but indicate some flexibility.

I recommend you approve as does Bill Timmons and Roy Ash:

Approve _____ Disapprove _____

The Secretary is also prepared to endorse the Rhodes Harsha arguments against the Committee bill's operating subsidy provision. He will leave the door open for a narrower, formula-based subsidy similar to the Administration bill.

I recommend you approve as does Timmons and Ash.

Approve _____ Disapprove _____

Funding above our figure - FIRM no. - limited flexibility on operating subsidy.