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Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

NATIONAL MASS TRANSPORTATION ASSISTANCE
ACT OF 1974 (S. 386)

The President today signed the National Mass Transportation Assistance Act of 1974 (NMTA), S. 386 which establishes an \$11.8 billion, six-year program to support mass transit capital and operating programs.

FUNDING LEVELS

NMTA establishes an \$11.3 billion, six-year urban mass transit program and an additional \$500 million program for rural mass transit capital assistance over the same period.

Of the \$11.3 billion provided by the Act, \$3.975 billion will be distributed by formula for use in either mass transit capital or operating programs. The balance, \$7.325 billion, will be distributed to the cities for major mass transit capital projects on a categorical basis.

FORMULA PROGRAM

The distribution formula is based one-half on population and one-half on population density. The Federal matching share for funds used for capital purposes is up to 80 percent and for operating purposes, up to 50 percent.

The schedule provided by NMTA calls for distribution of the formula funds through fiscal year 1980 as follows:

| | |
|-----------|---------------|
| 1975..... | \$300 million |
| 1976..... | \$500 million |
| 1977..... | \$650 million |
| 1978..... | \$775 million |
| 1979..... | \$850 million |
| 1980..... | \$900 million |

Funds will be distributed directly to urban areas of over 200,000 population to an agency agreed upon by the Governors of the respective states and appropriate local officials. The Governors will distribute the formula funds to cities with populations of 50,000 to 200,000.

OTHER PROVISIONS

NMTA requires recipients of funds to charge no more than half-fare for the elderly and handicapped during off-peak hours, authorizes fare-free demonstrations and makes quasi-public development corporations eligible for grants.

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