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APPROVED
AUG 14 1974

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 8 1974

*Posted
7/14
J. archive
8/15*

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3477 - D.C. school childrens'
bus fare subsidy
Sponsor - Sen. Eagleton (D) Missouri

Last Day for Action

August 14, 1974 - Wednesday



Purpose

Would extend for three years until August 31, 1977, the present subsidy for transportation of school children in the District of Columbia.

Agency Recommendations

Office of Management and Budget	Approval
District of Columbia	Approval
Washington Metropolitan Area Transit Authority	Approval

Discussion

In 1968, Public Law 90-605 authorized the District of Columbia Government to pay to bus common carriers the difference between the reduced fare for school children and the normal adult fare. These carriers are required by law to offer reduced fares for school children, at a rate no higher than one-half the lowest adult fare. The reduced fare for school children is presently set at ten cents as compared to the adult fare of forty cents.

Prior to the enactment of P.L. 90-605, adult fares were set high enough to cover the cost of these reduced fares. That Act required that the cost be borne by the community as a whole. It expires August 31, 1974.

S. 3477 would extend P.L. 90-605 for three years to August 31, 1977. It would also provide that the District Government, under the D.C. Self Government and Governmental Reorganization Act, can legislate changes to this subsidy law after January 2, 1975. This provision was added in response to that Government's request that P.L. 90-605 be amended to allow it, rather than the Washington Metropolitan Area Transit Commission, to set the fare for school children and to certify the amount of subsidy due the transit companies every month.

The D.C. Government proposed a number of other changes to P.L. 90-605, while S. 3477 was under consideration, to make the Act more flexible. While the Congress did not adopt these recommendations, they can be requested again if necessary.



Welfred H. Powell
Assistant Director for
Legislative Reference

Enclosures



THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

WALTER E. WASHINGTON
Mayor-Commissioner

AUG 5 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C. 20503



Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

S. 3477 - To amend the Act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia.

The enrolled bill would extend for an additional three-year period, to August 1977, the subsidy to common carriers providing reduced fares for the transportation of schoolchildren to and from public, parochial, or like elementary and secondary schools in the District of Columbia. The subsidy authorization expires August 1974.

Under existing law (Act of August 9, 1955, as amended; D.C. Code sec. 44-214(a)), the Washington Metropolitan Area Transit Commission, which succeeded to the jurisdiction of the Public Service Commission over mass transit carriers, is responsible for fixing the rate of fare for transportation by bus of schoolchildren going to and from public, parochial, or like schools in the District of Columbia at not more than one-half of the regular cash fare, and to establish rules and regulations governing the use thereof. The reduced fare for schoolchildren is presently established at ten cents for one-way transportation in lieu of the regular adult fare of forty cents. The District Government is required to fund the difference between the total of all reduced bus fares paid to the carrier for schoolchildren and the amount which would have been paid to the carrier at the lowest regular adult fare.



Extension of the subsidy for transportation of school-children is a recognition of the fact that such transportation is a public responsibility and the cost should be shared by all taxpayers, not just those who ride the buses. Consequently, the District Government supports the objective of S. 3477.

We had suggested to the Congressional Committees certain additional amendments to existing law which we proposed in a substitute draft bill. Our substitute bill would have transferred the authority to set the reduced fare rate for school-children from the Washington Metropolitan Area Transit Commission to the District of Columbia Council and would have authorized the Council to establish rules and regulations governing the administration of the school fare subsidy program. This change would have been consistent with the District of Columbia Self-Government and Governmental Reorganization Act and with the fact that the District Government pays for the costs of the subsidy out of its revenues. We thought it especially appropriate at this time because the Transit Commission is no longer actively involved in the mass transit rate-making process. The substitute bill also did not provide a maximum or minimum limit on the school fare rate, thus enabling the Council to effectively control the amount of the subsidy.

Additionally, the proposed substitute bill would have eliminated the role of the Transit Commission as certifying agent with respect to the amount of the monthly subsidy payment. With the acquisition of the former privately-owned D.C. Transit and WMA Transit Company bus lines by the Washington Metropolitan Area Transit Authority, a government agency, and the subsequent reduction in the Transit Commission's staff, it did not appear necessary that the Transit Commission continue to exercise this function. These proposals were supported by the Transit Commission.

The substitute bill also would have deleted the present age limitation of eighteen upon the use of school fare tickets and have allowed all students to utilize the reduced fare plan for so long as they remained in attendance at an elementary or secondary school. In our view there appears to be no compelling reason why students, regardless of age, who are regularly attending elementary and secondary schools should not be permitted to travel at a reduced fare, at least until they cease their enrollment or graduate from the twelfth grade. We intended that this proposal would be limited to schoolchildren pursuing a regular elementary

and secondary school program and would not be available to adults or students enrolled in colleges or proprietary schools.

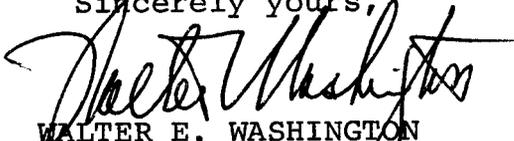
The substitute bill did not contain a limitation as to time. With transfer to the Council of the authority to set the reduced fare rate and to establish rules and regulations for administration of subsidy program, there appeared to be no further reason to limit the authorization to a three-year period.

The substitute bill further contained amendments which would have permitted subway as well as bus transportation; allowed the orderly conclusion of the functions and authorities of the Transit Commission and Transit Authority under present law; eliminated certain obsolete legal references in the present statute; and provided an effective date of September 1, 1974 to enable the rate to be timely set by the Council.

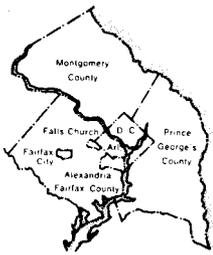
With regard to the anticipated costs involved in a three-year extension of the existing law, the District Government is requesting \$3,812,300 in its fiscal year 1975 budget estimates and, assuming a constant fare structure, it is expected that the cost to the District for fiscal years 1976 and 1977 will also be \$3,812,300 for each year. The actual cost to the District Government for schoolchildren's bus fares in fiscal year 1973 was \$3,391,000, and \$4,112,300 was budgeted for this purpose for fiscal year 1974.

We believe the amendments contained in the substitute bill would have materially improved the administration of the school fare subsidy program. Nevertheless, even though the enrolled bill does not contain the amendments we suggested in the substitute bill, the District of Columbia Government recommends the approval of S. 3477.

Sincerely yours,


WALTER E. WASHINGTON
Mayor-Commissioner





WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

600 Fifth Street, N.W., Washington, D. C. 20001

(202) 637-1234

AUG 6 1974

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and Construction

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Chief of Operations
and Maintenance

Mr. Wilfred H. Rommel
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D.C. 20503



Dear Mr. Rommel:

This refers to your request for our views and recommendations with respect to Enrolled Bill S. 3477.

This Bill would extend for three years the existing school fare subsidy law of the District of Columbia. I recommend that it be approved, continuing a long-standing policy of transportation of District of Columbia school children at reduced fares.

Earlier this year WMATA's recommendation to the Senate and House Committees on the District of Columbia included a suggestion that the term "lowest adult fare" should be construed as the standard adult fare to avoid confusion with the Metrobus "Golden Age" fare which is, of course, a separate and distinct reduced fare available only to senior citizens for limited non-rush hour use.

Enrolled Bill 3477, I note, does not contain appropriate language which would eliminate this uncertainty.

Sincerely,

Jackson Graham



To:
Harren Hendricks
8-8-74

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 8 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3477 - D.C. school childrens'
bus fare subsidy
Sponsor - Sen. Eagleton (D) Missouri

Last Day for Action

August 14, 1974 - Wednesday

Purpose

Would extend for three years until August 31, 1977, the present subsidy for transportation of school children in the District of Columbia.

Agency Recommendations

Office of Management and Budget

District of Columbia
Washington Metropolitan Area
Transit Authority



Approval

Approval

Approval

Discussion

In 1968, Public Law 90-605 authorized the District of Columbia Government to pay to bus common carriers the difference between the reduced fare for school children and the normal adult fare. These carriers are required by law to offer reduced fares for school children, at a rate no higher than one-half the lowest adult fare. The reduced fare for school children is presently set at ten cents as compared to the adult fare of forty cents.

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S. 3477 would extend P.L. 90-605 for three years to August 31, 1977. It would also provide that the District Government, under the D.C. Self Government and Governmental Reorganization Act, can legislate changes to this subsidy law after January 2, 1975. This provision was added in response to that Government's request that P.L. 90-605 be amended to allow it, rather than the Washington Metropolitan Area Transit Commission, to set the fare for school children and to certify the amount of subsidy due the transit companies every month.

The D.C. Government proposed a number of other changes to P.L. 90-605, while S. 3477 was under consideration, to make the Act more flexible. While the Congress did not adopt these recommendations, they can be requested again if necessary.



Welfred H. Powell

Assistant Director for
Legislative Reference

Enclosures

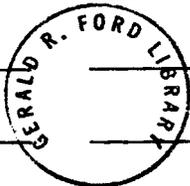
THE WHITE HOUSE
WASHINGTON

ENROLLED BILL

SUBJECT: S. 3477 - D. C. School Childrens'

Bus Fare Subsidy

<u>Name</u>	<u>Approval</u>	<u>Date</u>
Duval	yes	
Buckles	yes	
Buzhardt	yes	
Timmons	yes	
Cole	<i>C</i>	



Comments:

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 501

Date: August 9, 1974

Time:

2:00 p. m.

FOR ACTION:

✓ Michael Duval
✓ Fred Buzhardt *no objection*
✓ Bill Timmons
Andrus Buckle

(for information):

James Cavanaugh
Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date:

Monday, August 12, 1974

Time:

2:00 p. m.

SUBJECT:

Enrolled Bill S. 3477 - D. C. School Childrens' Bus Fare Subsidy



ACTION REQUESTED:

___ For Necessary Action

. XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 501

Date: August 9, 1974

Time: 2:00 p. m.

FOR ACTION: ✓ Michael Duval
Fred Buzhardt
Bill Timmons
Andre Buckles

cc (for information): James Cavanaugh
Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 12, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill S. 3477 - D. C. School Childrens' Bus Fare Subsidy

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing



*No objection
Mike Duval
8/12*

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 8 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3477 - D.C. school childrens'
bus fare subsidy
Sponsor - Sen. Eagleton (D) Missouri

Last Day for Action

August 14, 1974 - Wednesday

Purpose

Would extend for three years until August 31, 1977, the present subsidy for transportation of school children in the District of Columbia.

Agency Recommendations

Office of Management and Budget	Approval
District of Columbia	Approval
Washington Metropolitan Area Transit Authority	Approval

Discussion

In 1968, Public Law 90-605 authorized the District of Columbia Government to pay to bus common carriers the difference between the reduced fare for school children and the normal adult fare. These carriers are required by law to offer reduced fares for school children, at a rate no higher than one-half the lowest adult fare. The reduced fare for school children is presently set at ten cents as compared to the adult fare of forty cents.

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The D.C. Government proposed a number of other changes to P.L. 90-605, while S. 3477 was under consideration, to make the Act more flexible. While the Congress did not adopt these recommendations, they can be requested again if necessary.

Welfred H. Rommel
Assistant Director for
Legislative Reference



Enclosures

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 501

Date: August 9, 1974

Time: 2:00 p.m.

FOR ACTION: ✓ Michael Duval
Fred Buzhardt
Bill Timmons
Andre Buckles

cc (for information): ✓ James Cavanaugh
Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 12, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill S. 3477 - D.C. School Childrens' Bus
Fare Subsidy



ACTION REQUESTED:

- For Necessary Action
- XX For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

[Handwritten signatures and initials]

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 501

Date: August 9, 1974

Time:

2:00 p. m.

FOR ACTION: Michael Duval
 Fred Buzhardt
Bill Timmons
Andre Buckles

cc (for information): James Cavanaugh
Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 12, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill S. 3477 - D. C. School Childrens' Bus
Fare Subsidy



ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

*Not objection
D.C.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 501

Date: August 9, 1974

Time: 2:00 p. m.

FOR ACTION: ✓ Michael Duval
Fred Buzhardt
Bill Timmons
✓ Andre Buckles

cc (for information): James Cavanaugh
Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 12, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill S. 3477 - D. C. School Childrens' Bus Fare Subsidy



ACTION REQUESTED:

___ For Necessary Action

• XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

Recommended Andre Buckles

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE

WASHINGTON

August 9, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS

P.M. for W.E.T.

SUBJECT:

Action Memorandum - Log No. 501
Enrolled Bill S. 3477 - D.C. School
Childrens' Bus Fare Subsidy



The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 501

Date: August 9, 1974

Time: 2:00 p. m.

FOR ACTION: Michael Duval
 Fred Buzhardt
 Bill Timmons
Andre Buckles

cc (for information): James Cavanaugh
Warren K. Hendriks
Jerry Jones
Dave Gergen

FROM THE STAFF SECRETARY

DUE: Date: Monday, August 12, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill S. 3477 - D. C. School Childrens' Bus Fare Subsidy



ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

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If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

SCHOOL FARE SUBSIDY

JUNE 26, 1974.—Ordered to be printed

Mr. EAGLETON, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany S. 3477]

The Committee on the District of Columbia, to which was referred the bill (S. 3477) to amend the Act of August 9, 1955, relating to school fare subsidy for transportation of school children within the District of Columbia, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The sole purpose of S. 3477 is to extend the present subsidy for transportation of school children in the District of Columbia, established by an Act of Congress approved October 18, 1968 (Public Law 90-605, 82 Stat. 1187), and which was extended for three years by Public Law 92-90, which will expire in August of this year, for a period of three years to August 1977.

BACKGROUND

For many years, transit companies operating in the District of Columbia have been required by law to carry school children at a fare not exceeding one-half the established adult fare. The Regulatory Commission having jurisdiction over such carriers in the city is responsible for determining the amount of such reduced fares for school children. This reduced rate has never been sufficient to cover the cost of carrying the school children, and up until six years ago, the Regulatory Commission was compelled to set the adult fare at a level which was high enough to cover the entire cost of the carriers' operation, including the cost of transportation of school children in excess of the receipts from their reduced fares. Thus, the economic effect was that the adult bus-riding public had to make up the uncovered cost resulting from the reduced fares for transportation of the school children.

In 1968, however, the Congress enacted Public Law 90-605, which made it possible for the cost of carrying school children in the District to be borne by the community as a whole. Under the provisions of this Act of 1968, the Washington Metropolitan Area Transit Commission is required to certify to the Commissioner of the District of Columbia for each calendar month, with respect to each bus company transporting school children in the city, an amount representing the difference between the total of all reduced fares paid to such carrier by school children and the amount which would have been paid if such fares had been at the lowest adult fare set by the Commission for regular route transportation. Upon receipt of such certification, the Commissioner of the District of Columbia is required to pay each carrier the amount so certified by the Transit Commission.

At the time of enactment of this law, in October 1968, the reduced fare for school children was 10 cents and has remained at that level to the present time. The lowest adult fare in 1968 was 25 cents, and since that time has increased to the present level of 40 cents.

The following table was submitted to the committee by the District of Columbia Government:

SCHOOL TRANSIT SUBSIDY

Fiscal year:	Fare		Actual subsidy
	Adult	Student	
1971	\$0.40	\$0.10	\$3,054,000
1972	.40	.10	3,425,000
1973	.40	.10	3,392,000
1974	.40	.10	4,112,000
1975	.40	.10	3,812,000

Estimates.

SCHOOL TICKET SYSTEM

The committee is advised that each school child who requires bus transportation gets a form signed by his teacher, stating that he is a bona fide pupil. He must present that form in order to buy a book of school bus tickets, either ten tickets for one dollar or twenty rides for two dollars. These ticket books can be purchased either from the Metro offices or from certain banks in the city; or in some instances, they may be obtained at the schools themselves. The child deposits one such ticket in the fare box, of course, when he gets on the bus. These tickets are counted as they pass through the fare box, and that count is audited by personnel of the Washington Area Transit Commission.

The committee did not receive any evidence as to the need for or desirability of special identification cards for students to be used with the tickets. Accordingly, it is the committee's view that no authorization of funds of the city should be made for such I.D. cards.

PROVISIONS OF THE BILL

The bill, S. 3477, provides a three-year extension of the provisions of the Act of August 9, 1955 (69 Stat. 616) as amended by the Act of October 18, 1968 (82 Stat. 1186) and by the Act of August 11, 1971 (85 Stat. 315). The bill amends present law (D.C. Code, Sec. 44-1214a) by extending the expiration date of the provisions of the section to

the year 1977. The Washington Metropolitan Transit Commission will continue, under the proposed extension, to certify each month to the Commissioner of the District of Columbia the number of school fares on which the District of Columbia is to reimburse the Washington Metropolitan Area Transit Authority (Metro) the difference between the school fare paid and the lowest adult fare.

CONCLUSION

On the basis of the experience during the past six years and the testimony received at the public hearings, the committee believes that it is appropriate to extend the subsidy for for three more years.

The committee voted unanimously to approve S. 3477 on June 26, 1974.

HEARINGS AND COMMITTEE ACTION

Public hearings on this proposed legislation were conducted on June 5, 1974. Support of the bill was offered by spokesmen for the Commissioner of the District of Columbia and the Washington Metropolitan Area Transit Authority (Metro).

COST ESTIMATES

The estimated cost of this legislation, over the three years of its existence, will be some \$11,436,000, based upon present fare levels and general economic conditions.

CHANGES IN EXISTING LAW MADE BY THE BILL AS REPORTED

In compliance with subsection (4) of the rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

SECTION 2 OF THE ACT OF AUGUST 9, 1955

SEC. 2. In the case of any common carrier required to furnish transportation to schoolchildren at a reduced fare under this Act, the Washington Metropolitan Area Transit Commission shall certify to the Commissioner of the District of Columbia, with respect to each calendar month commencing with September 1968, and ending August [1974] 1977, all inclusive, an amount which is the difference between the total of all reduced fares paid during such calendar month to such carrier by schoolchildren in accordance with this Act and the amount which would have been paid during that month to such carrier if such fares had been paid at the lowest adult fare established by the Commission for regular route transportation in that month. The certification required by this section shall be made for each such month as soon as practicable following the end thereof. The Commissioner of the District of Columbia, upon receiving any such certification, shall pay the carrier with respect to which that certification was filed an amount equal to the amount contained therein.

SCHOOL FARE SUBSIDY

JULY 2, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DIGGS, from the Committee on the District of Columbia, submitted the following

REPORT

[To accompany H.R. 13608]



The Committee on the District of Columbia, to whom was referred the bill (H.R. 13608) to amend the Act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 1, after line 9, insert the following:

SEC. 2. Notwithstanding any other provision of law, or any rule of law, nothing in this Act (including the amendment made by this Act) shall be construed as limiting the authority of the Council of the District of Columbia to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

PURPOSE OF THE BILL

The sole purpose of H.R. 13608 is to extend the present subsidy for the transportation of school children in the District of Columbia, established by an Act of Congress approved October 18, 1968 (Public Law 90-605, 82 Stat. 1187; D.C. Code, Title 44, Sec. 214a), which will expire in August of this year, for a period of 3 years or to August, 1977.

The present reduced fare for school children is 10 cents, and the regular adult fare is 40 cents; the difference (30 cents) is the amount of the subsidy per pupil presently paid the Washington Metropolitan Transportation Authority under the 1968 Act.

BACKGROUND

For many years, transit companies operating in the District of Columbia were required by law to carry school children at a fare not exceeding one-half the established adult fare. The regulatory Commission (the Washington Metropolitan Area Transit Commission) having jurisdiction over such carriers in the city is responsible for determining the amount of such reduced fares for school children. This reduced rate has never been sufficient to cover the cost of carrying the school children, and up until a few years ago, the Commission was compelled to set the adult fare at a level which was high enough to cover the entire cost of the carrier's operation, including the cost of transportation of school children in excess of the receipts from their reduced fares. Thus, the economic effect was that the adult bus-riding public had to make up the uncovered cost resulting from the reduced fares for the transportation of the school children.

1968 AMENDMENT

In 1968, the Congress enacted Public Law 90-605 (82 Stat. 1187; D.C. Code, Title 44, Sec. 214a), which made it possible for the cost of carrying school children in the District to be borne by the community as a whole.

Under the provisions of the 1968 Act, the Washington Metropolitan Area Transit Commission is required to certify to the Commissioner of the District of Columbia for each calendar month, with respect to each bus company transporting school children in the city, an amount representing the difference between the total of all reduced fares paid to such carrier by school children and the amount which would have been paid if such fares had been at the lowest adult fare set by the Commission for regular route transportation. Upon receipt of such certification, the Commissioner of the District of Columbia is required to pay each carrier the amount so certified by the Transit Commission.

At the time of enactment of this law, approved on October 18, 1968, the reduced fare for school children was 10 cents, and has remained at that level to the present time. The lowest adult fare in 1968 was 25 cents, and since that time, as stated, has increased to the present level of 40 cents.

COMMITTEE INTENT

It is the intent of this Committee that for the purposes of this act the term "lowest adult fare" as used in the act is deemed to be the standard, established, regular adult fare, which is to be used in applying the formula set forth in the act for adjustment and payment of the school fare subsidy.

This adult fare is not to be confused with the special senior citizens' reduced fare (25 cents) established by act of the Council and for part-time use on the local buses, in other than regular weekly commuting hours.

COMMITTEE AMENDMENT

The Committee amendment makes it explicitly clear that the act does not limit the authority of the District of Columbia Council, after January 2, 1975, to legislate respecting any matter covered by this act.

SCHOOL FARE SUBSIDY PAID, 1971-74

The following table, submitted to the Committee by the District of Columbia Government, shows the amount of this subsidy paid to the carriers affected, during the last three fiscal years. It will be seen from these figures that whereas a total of 11,385,845 school passenger rides were subsidized during the first year, at a certified subsidy amount of \$3,424,643, during the third such year, ending in June of 1974, it is estimated that 11,736,757 school passenger rides will have been certified, at a total subsidy cost of \$4,521,027.10. The increase in the cost shown is attributable to the increase in the number of school passenger rides.

SCHOOL TRANSIT AUTHORITY

Year and month	Rides	Subsidy	Year and month	Rides	Subsidy
1971:			1973—Continued		
July.....	407,421	\$122,424.55	February.....	1,085,692	\$325,792.60
August.....	335,550	100,773.15	March.....	1,262,869	378,860.70
September.....	824,677	248,214.70	April.....	933,694	280,108.20
October.....	1,085,998	326,811.95	May.....	1,173,567	352,070.10
November.....	1,142,201	343,653.65	June.....	599,238	179,771.80
December.....	943,268	283,796.95			
1972:			Total fiscal year		
January.....	1,114,016	335,170.75	1973.....	11,291,336	3,391,624.8
February.....	1,176,372	353,866.65			
March.....	1,363,138	409,980.20	1974:		
April.....	984,552	296,056.85	July.....	568,591	178,077.30
May.....	1,320,088	396,937.70	August.....	468,181	140,454.30
June.....	688,564	206,956.75	September.....	932,606	279,781.80
Total fiscal year			October.....	1,272,013	381,605.40
1972.....	11,385,845	3,424,643.85	November.....	1,230,185	369,055.50
			December.....	816,437	244,931.10
1973:			January.....	1,262,172	378,651.60
July.....	557,240	167,333.65	February.....	1,158,871	347,661.30
August.....	474,582	142,467.30	March.....	1,296,197	388,859.10
September.....	718,199	216,016.90	April.....	1,033,694	280,108.20
October.....	1,205,322	362,471.55	May.....	1,173,567	352,070.10
November.....	1,212,323	364,575.95	June ¹	599,238	179,771.40
December.....	887,993	267,052.65	Total fiscal year		
January.....	1,180,617	355,103.80	1974.....	11,736,757	3,521,027.10

¹ Estimate—based on 1973 passenger figures for month.

Source: District of Columbia government figures.

HEARING

At a public hearing on H.R. 13608 by the Full Committee on the District of Columbia on March 22, 1974, the extension of the school fare subsidy was supported by Members of Congress, and by representatives on behalf of the Washington Metropolitan Area Transit Authority; the District of Columbia Government; the Washington Metropolitan Area Transit Commission; and the Board of Education of the District of Columbia.

No statements were presented or filed in opposition to the extension of the school fare subsidy.

COSTS

According to estimates of the District of Columbia Government, the costs to the District for the school fare subsidies provided in the reported bill are as follows:

Fiscal year:	Millions
1975.....	\$3.8
1976.....	3.8
1977.....	3.7

VOTE

The bill, H.R. 13608, as amended, was ordered favorably reported to the House by voice vote of the Committee on July 1, 1974, a quorum being present.

CONCLUSION

The spokesman for the Washington Metropolitan Area Transit Authority expressed at the hearing that subsidizing the cost of transporting school children to and from school is a legitimate expenditure of funds on the part of local government.

The Committee heartily agrees with this opinion, as well as that of the Transit Commission's representative at an earlier hearing on similar legislation:

Philosophically, we at the Commission believe that the 1968 law places the burden of providing transportation for school children where it properly belongs, on the community at large rather than on only those members of the community who happen to ride the bus. Speaking from the standpoint of the practical result, we can report that the shift of that burden has resulted in substantial benefit to the city's bus riders and to the city itself.

DEPARTMENTAL REPORTS

The report of the District Government in support of the objective of H.R. 13608, together with draft of proposed amendments, follows:

THE DISTRICT OF COLUMBIA,
Washington, D.C., May 23, 1974.

HON. CHARLES C. DIGGS, JR.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Government of the District of Columbia has for report H.R. 13608, a bill "To amend the Act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia."

H.R. 13608 would extend for an additional three-year period, to August 1977, the subsidy to common carriers providing reduced fares for the transportation of schoolchildren to and from public, parochial, or like elementary and secondary schools in the District of Columbia. The subsidy authorization expires August 1974.

Under existing law (Act of August 9, 1955, as amended; D.C. Code sec. 44-214(a)), the Washington Metropolitan Area Transit Commission, which succeeded to the jurisdiction of the Public Service Commission over mass transit carriers, is responsible for fixing the rate of fare for transportation by bus of schoolchildren going to and from public, parochial, or like schools in the District of Columbia at not more than one-half of the regular cash fare, and to establish rules and regulations governing the use thereof. The reduced fare for schoolchildren is presently established at ten cents for one-way transportation in lieu of the regular adult fare of forty cents. The District Government is required to fund the difference between the total of all

reduced bus fares paid to the carrier for schoolchildren and the amount which would have been paid to the carrier at the lowest regular adult fare.

Extension of the subsidy for transportation of schoolchildren is a recognition of the fact that such transportation is a public responsibility and the cost should be shared by all taxpayers, not just those who ride the buses. Consequently, the District Government supports the objective of H.R. 13608.

We would, however, suggest that the Committee give consideration to certain additional amendments to existing law which are contained in a substitute draft bill attached to this report and explained in the following paragraphs.

The draft bill would transfer the authority to set the reduced fare rate for schoolchildren from the Washington Metropolitan Area Transit Commission to the District of Columbia Council and would authorize the Council to establish rules and regulations governing the administration of the school fare subsidy program. This change is consistent with the District of Columbia Self-Government and Governmental Reorganization Act and with the fact that the District Government pays for the costs of the subsidy out of its revenues. It is especially appropriate at this time because the Transit Commission is no longer actively involved in the mass transit ratemaking process. The bill also does not provide a maximum or minimum limit on the school fare rate, thus enabling the Council to effectively control the amount of the subsidy.

Additionally, the proposed draft bill would eliminate the role of the Transit Commission as certifying agent with respect to the amount of the monthly subsidy payment. With the acquisition of the former privately-owned D.C. Transit and WMA Transit Company bus lines by the Washington Metropolitan Area Transit Authority, a government agency, and the subsequent reduction in the Transit Commission's staff, it does not now appear necessary that the Transit Commission continue to exercise this function. These proposals have the support of the Transit Commission.

The draft bill also would delete the present age limitation of eighteen upon the use of school fare tickets and allow all students to utilize the reduced fare plan for so long as they remain in attendance at an elementary or secondary school. There appears to be no compelling reason why students, regardless of age, who are regularly attending elementary and secondary schools should not be permitted to travel at a reduced fare, at least until they cease their enrollment or graduate from the twelfth grade. This proposed amendment may further serve as an inducement to encourage students to remain in school until such time as they complete all academic requirements. It is intended that this proposal would be limited to schoolchildren pursuing a regular elementary and secondary school program and would not be available to adults or students enrolled in colleges or proprietary schools.

While H.R. 13608 authorizes only a three-year extension of the subsidy, the draft bill contains no limitation as to time. With transfer to the Council of the authority to set the reduced fare rate and to establish rules and regulations for administration of the subsidy program, there appears to be no further reason to limit the authorization to a three-year period.

The draft bill further contains amendments which would permit subway as well as bus transportation; allow the orderly conclusion of the functions and authorities of the Transit Commission and Transit Authority under present law; eliminate certain obsolete legal references in the present statute; and provides an effective date of September 1, 1974 to enable the rate to be timely set by the Council.

The actual cost to the District of Columbia Government for schoolchildren's bus fares in fiscal year 1973 was \$3,391,000, and for fiscal year 1974, \$4,112,300 has been budgeted for this purpose. With regard to the anticipated costs involved in a three-year extension of the existing law, the District Government is requesting \$3,812,300 in its fiscal year 1975 budget estimates and, assuming a constant fare structure, it is expected that the cost to the District for fiscal years 1976 and 1977 will also be \$3,812,300 each year.

It is anticipated that the amendments contained in the proposed draft bill may increase the foregoing cost estimates. Because of the unavailability of data indicating the number of students of the age of eighteen and over who are in regular attendance at public and private schools, we are unable to provide an estimate of additional costs that may result from elimination of the age limitation. In addition, any change in the reduced fare for schoolchildren or in the adult fare will affect the cost of the subsidy program.

We believe the amendments contained in the draft bill will materially improve the administration of the school fare subsidy program and urge their favorable consideration by the Congress. As the current statutory authorization for the subsidy will expire in August 1974, we urge early enactment of legislation to allow continuation of this important program.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to the Congress.

Sincerely yours,

WALTER E. WASHINGTON,
Mayor-Commissioner.

Attachment.

A BILL To amend the Act of August 9, 1955 relating to the school fare subsidy for transportation of schoolchildren in the District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for the regulation of fares for the transportation of schoolchildren in the District of Columbia," approved August 9, 1955 (D.C. Code, sec. 44-214a), as amended, is further amended to read as follows:

"SEC. 1. The District of Columbia Council is hereby authorized to fix the rate of fare for transportation by mass transit modes of schoolchildren going to and from elementary and secondary public, parochial, or like schools in the District of Columbia, at less than the regular adult fare established from time to time by the Washington Metropolitan Area Transit Authority or other mass transit common carrier

for regular route transportation within the District of Columbia. The Council is also authorized to establish rules and regulations governing the administration of the school fare subsidy program.

"SEC. 2. The District of Columbia, with respect to each calendar month commencing with September, 1974, shall pay to the Washington Metropolitan Area Transit Authority or other mass transit common carrier an amount which is the difference between the total of all reduced fares paid during such calendar month to such carrier by schoolchildren in accordance with this Act and the amount which would have been paid during that month to such carrier if such fares had been paid at the regular adult cash fare established for equivalent regular route transportation in that month.

"SEC. 3. Appropriations to carry out the provisions of this Act, including costs of administration, are hereby authorized.

"SEC. 4. This Act shall take effect on September 1, 1974, except that schoolchildren's fares for a period commencing September 1, 1974, or later, may be fixed by the Council prior to that date: *Provided*, That authorities contained in existing laws, and the rules, regulations, and orders promulgated thereunder, relating to or affecting the transportation of schoolchildren and the fares therefor, shall continue for a period, not beyond June 30, 1975, sufficient to conclude administration of such provisions.

"SEC. 5. On the effective date of this Act, the Act approved February 25, 1931 (46 Stat. 1419) is repealed."

The report of the Washington Metropolitan Area Transit Authority, and proposed amendment, follows:

WASHINGTON METROPOLITAN AREA
TRANSIT AUTHORITY,
Washington, D.C., April 12, 1974.

HON. CHARLES C. DIGGS, JR.,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for extending to us the opportunity to make recommendations and report on H.R. 13608.

We recognize that the public interest is served by a continuation through August 1977 of the long-standing policy of transportation of District of Columbia school children not over eighteen years of age at reduced fares.

WMATA is pleased to recommend approval of H.R. 13608; however, in the interest of clarity, we believe it is necessary to point out that the term "lowest adult fare" contained in the 1971 amendment (P.L. 92-90, 85 Stat. 315) should not be confused with the Metrobus "Golden Age" fare, which is also a reduced fare, of course. We feel that this clarification can be attained by striking the period after "1977" in the last line of H.R. 13608 and adding the following: and by providing that the term "lowest adult fare" as used in section 2 shall be construed as the standard adult fare in applying the formula for adjustment and payment of the fare subsidy.

Sincerely,

JACKSON GRAHAM.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 2 OF THE ACT OF AUGUST 9, 1955

SEC. 2. In the case of any common carrier required to furnish transportation to schoolchildren at a reduced fare under this Act, the Washington Metropolitan Area Transit Commission shall certify to the Commissioner of the District of Columbia, with respect to each calendar month commencing with September 1968, and ending August [1974] 1977, all inclusive, an amount which is the difference between the total of all reduced fares paid during such calendar month to such carrier by schoolchildren in accordance with this Act and the amount which would have been paid during that month to such carrier if such fares had been paid at the lowest adult fare established by the Commission for regular route transportation in that month. The certification required by this section shall be made for each such month as soon as practicable following the end thereof. The Commissioner of the District of Columbia, upon receiving any such certification, shall pay the carrier with respect to which that certification was filed an amount equal to the amount contained therein.

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Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To amend the Act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia.

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SEC. 2. Notwithstanding any other provision of law, or any rule of law, nothing in this Act (including the amendment made by this Act) shall be construed as limiting the authority of the Council of the District of Columbia to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

~~*Speaker of the House of Representatives.*~~

*Vice President of the United States and
President of the Senate.*



Ninety-third Congress of the United States of America

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Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

August 2, 1974

Dear Mr. Director:

The following bills were received at the White House on August 2nd:

S. 2665
S. 3477
H.R. 11873

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,



Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.