

April 13, 1961

Memorandum on Mass Transit -- Williams Bill

The Administration can support S. 345 with the following modifications:

1. There should be "workable plans" before any Federal money or credit is used -- S. 345 provides 3 years of "free time".
2. There must be strict requirements governing local agencies or authorities with which the Federal Government will deal in implementing mass transit plans.
3. Demonstration funds will be reduced from the ~~\$200~~ \$50 million figure in the Williams bill to \$10 million.
4. Federal participation in planning grants will be 2/3's instead of the 50% provided in S. 345.
5. Unlike S. 345 we would require local authorities to share in the loan programs ultimately set up.
6. Loans would be made only for capital investment and equipment -- but not for operating expenses.
7. Language will be proposed leaving open the question of the total funding of a loan program as well as the degree of Federal and local participation. It will be stated that the Administration's position on these questions will be submitted following the HHFA-Commerce study on needs and approaches due to begin April 17th and to terminate by October 17th.

Eno

Center for
Transportation