

regulated industry. There is ample opportunity for cooperation between the local government and the local transit company. The fact that the local government and the local transit operator are required to participate with the Federal Government under the Federal transit aid program has contributed immeasurably toward the improvement of the attitude of local governments toward the transit operator, and has required the transit operator to reevaluate its attitude toward local government.

The opportunities offered under the existing program of Federal aid to local transit have been recognized both by publicly operated systems and by private capital companies. Many of them have accepted the challenge offered and have had loans, grants, and demonstration projects approved. Many others, seeing what is happening to the communities which are participating in the program, now have applications pending or in the course of preparation. Much has been accomplished but much more remains to be done. The extension of Federal transit aid legislation is essential to the preservation of an industry, the prosperity and effectiveness of which are indispensable if the American city is to be preserved.

Mr. BARRETT. Just one short question I would like to ask you.

You are a private operator who has participated in the present Federal mass transit program. Do you believe there has been any discrimination against private operators in the administration of the program?

Mr. COCHRAN. No, sir. I have found nothing, certainly in our own relationship with the administrative agency to indicate any discrimination against the private capital company. Now, the private capital company is already under the burden, under this legislation, of working out some arrangement with the local Government agency or local Government to obtain the approval or to at least have the use of the local governmental agency as the applicant. But, assuming the existence of the cooperative relationship between the company and the local Government, then the private capital company can proceed. Now, there is of course no way that the private capital company at this date can directly make an application. But I have found under the law, as written, there has been no discrimination to my knowledge in the administration of the act.

Mr. BARRETT. Thank you. Mr. Widnall?

Mr. WIDNALL. Thank you, Mr. Chairman.

Mr. Cochran, I am very grateful and I know the other members of the committee are for your statement and your comments out of experience on the programs that we have tried so far and for your suggestions for the future.

I would like to ask you this: What is your position with regard to Federal aid for physical improvements, like parking lots, maintenance shops, and other things as against straight operating subsidies?

Mr. COCHRAN. If I had to make the choice I would prefer the Federal aid for capital improvements rather than the subsidy. I say that—I am somewhat reluctant to get into a situation where I feel possibly the Federal Government would go further than participating in the capital improvements, but wouldn't into the control, and regulation of the local mass transit company. The subsidy might connote something of that experience that is developing. If I had to make a choice I would prefer the capital assistance.

Mr. WIDNALL. You have one or two examples—do you? Do you have one or two examples that you can give us of actual value of the demonstration projects where it has been helpful and what the results have been? Could you give us that?