

tions and other terms and conditions of capital assistance on local planning and decisionmaking as well as on the competitive and financial viability of urban transportation systems. Under section 4(g) of the Department of Transportation Act, we are required to carry on a continuing review of urban transportation policies and programs and to report annually to the President and the Congress making recommendations for any desirable policy and program changes. This is ample authority to enable us to undertake constructive program analysis and to develop recommendations for changes in Federal policies that will improve the allocation of Federal resources in transportation and their benefits and effects on urban development.

4. Operation

At the present time there is little Federal participation in the operation of urban transportation systems. Federal policy, both congressional and executive, is explicitly against Federal intervention in the operation of local transportation services. Present statutory authority for transportation research and for demonstration and training aid is broad enough to allow some involvement in management training and to permit federally sponsored evaluation of the administrative and service practices of local systems.

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