Senate Bill Would Provide \$2 Billion for Transit Agencies

WASHINGTON—A group of senators led by Sen. Chris Dodd (D., Conn.) proposed Tuesday that Congress throw a \$2 billion lifeline to struggling public transit systems in New York and other big cities.

The bill, introduced with the support of seven Democratic co-sponsors including Sen. Chuck Schumer (D., N.Y.) and lawmakers from New Jersey, Ohio and Illinois, would allow transit agencies nationwide to use federal money to reduce fares and restore service cuts made after January of last year. The proposal's prospects aren't clear at a time when Congress is under pressure to cut federal spending.

The bill would allow transit agencies to use the federal money to prevent future service cuts and fare boosts through September 2011. Agencies that haven't raised fares or cut services—and don't plan to do so—can use the funds for infrastructure improvements.

New York City's Metropolitan Transportation Authority, the nation's largest, in March approved service and staff cuts to cope with an earlier operating deficit, but it still must devise a plan by July to fill an additional \$400 million shortfall. In recent weeks, the agency has said it is doing everything from laying off workers and curbing overtime costs, to renegotiating contracts and cleaning subways less often.

The bill is the latest effort to aid struggling transit systems but doesn't address a broader dispute about how to best fund the agencies long-term.

The American Public Transportation Association, the trade group that represents public transit systems, says public transportation systems get far less in government funding than they need each year.

In addition, big-city transit systems are generally restricted to using federal funds for capital investments such as new rail cars or tracks. Transit unions and officials in cities such as Atlanta and St. Louis are trying to change that policy by backing House and Senate bills that would enable federal funds to be used for day-to-day operations. New York City's MTA has said diverting capital funds to operations could lead to systemwide decay.

The MTA joined others transit agencies and unions Tuesday in applauding the emergency funding bill, saying through a spokesman that "we hope it passes."

The Amalgamated Transit Union and the Transport Workers Union will run radio ads this week in several states urging Republican senators to support the legislation. The ads will draw a link between heavy traffic and air pollution and urge the public to advocate for appropriated funding.

Write to Melanie Trottman at melanie.trottman@wsj.com