A COMMISSION REPORT

INTERGOVERNMENTAL RESPONSIBILITIES FOR MASS TRANSPORTATION FACILITIES AND SERVICES IN METROPOLITAN AREAS

ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS
APRIL, 1961

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
Washington 25, D. C.

Frank Bane	Chairman
James K. Pollock	Vice-Chairman, Ann Arbor, Mich.
John Anderson, Jr.	Governor of Kansas
Hal Bridenbaugh	State Senator, Dakota City, Nebr.
John E. Burton	Citizen Member, Ithaca, N. Y.
Anthony Celebrezze	Mayor, Cleveland, Ohio
Gordon S. Clinton	Mayor, Seattle, Wash.
Edward Connor	Councilman, Wayne County, Mich.
Leslie Cutler, Mrs.	State Senator, Needham, Mass.
C. Douglas Dillon	Secretary of the Treasury
Michael V. DiSalle	Governor of Ohio
Clair Donnenwirth	Supervisor, Plumas County, Portola, Calif.
Florence P. Dwyer, Mrs.	Member of the House of Representatives
Sam J. Ervin, Jr.	Member of the Senate
L. H. Fountain	Member of the House of Representatives
Arthur J. Goldberg	Secretary of Labor
Ernest F. Hollings	Governor of South Carolina
Don Hummel	Mayor, Tucson, Ariz.
Frank Ikard	Member of the House of Representatives
Edwin Michaelian	County Executive, Westchester County, N. Y.
Karl E. Mundt	Member of the Senate
Edmund S. Muskie	Member of the Senate
Norris Poulson	Mayor, Los Angeles, Calif.
Abraham A. Ribicoff	Secretary of Health, Education, and Welfare
Robert E. Smylie	Governor of Idaho
* Vacancy	State Legislator

Wm. G. Colman, Executive Director

* Robert A. Ainsworth, Jr., President of the Louisiana State Senate, was appointed to this vacancy in May, 1961.

The city and its suburbs are interdependent parts of a single community, bound together by the web of transportation and other public facilities and by common economic interests. Bold programs in individual jurisdictions are no longer enough. Increasingly, community development must be a cooperative venture toward the common goals of the metropolitan region as a whole.

John F. Kennedy
(March 9, 1961)

Preface

The Advisory Commission on Intergovernmental Relations was created by Congress in 1959 (Public Law 86-380) "to give continuing attention to intergovernmental problems." Congress expressed its intention that the Commission:

1. Bring together representatives of the Federal, State and local governments for the consideration of common problems;

2. Provide a forum for discussion of the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;

3. Give critical attention to the conditions and controls involved in the administration of Federal grant programs;

4. Make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the federal system;

5. Encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation;

6. Recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government; and

7. Recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

At its third meeting, held on May 25, 1960, the Commission approved an initial work program, including a study of "Intergovernmental Relations and Responsibilities With Respect to Mass Transportation Facilities and Services in the Metropolitan Areas." Because of the necessity for an early report on this important subject, the Commission requested the Institute of Public Administration, of New York City, to prepare a draft report. The report which follows is based to a considerable degree on information and suggestions in the Institute's report to the Commission staff.

This report is respectfully submitted to the President, Congress, the Executive Departments, the States and local governments. It is designed to accomplish two objectives:

1. To offer practical programs of action by which governments on all levels can cooperate in making an attack on the urban transportation problem. The emphasis is on first steps; the report is not designed as an exhaustive treatment of the subject.

2. To pave the way for further consideration of specific aspects of the problem, by presenting a statement of the urban transportation problem and the substantive nature of possible ameliorations thereof.

This report was adopted at a meeting of the Commission held on April 28, 1961.

Frank Bane
Chairman

TABLE OF CONTENTS

I. SCOPE OF THE REPORT

This report discusses several aspects of urban mass transportation in the United States, with particular reference to the concern of various levels of government with effective transportation in and around metropolitan areas. Traffic congestion, the commuter rail crisis, deteriorating bus service, and other difficulties arise in part from deficiencies in planning, from inadequate cooperation among different levels of government and among governments at the same level, from uncoordinated transportation programs, and from other deficiencies in the governmental process.

A complete examination of these problems is not possible within the time available for preparation of this report. However, some steps which should lead toward improved governmental arrangements concerning urban transportation can be suggested. The report necessarily bears most directly on conditions of those major metropolitan areas where problems of mass transportation have already become acute.

The subjects of transportation taxation and regulation have been excluded from specific examination, here, although limited references to these matters appear. The conclusions and recommendations contained in the report are centered largely around the allocation of responsibility among the levels of government for assuring that adequate mass transportation services are available in major urban areas, and especially for the planning and financing of facilities required for such services. This emphasis is attributable not only to the importance of these issues but also to the fact that the Congress has under consideration currently the question of Federal financial aid to State and local governments for urban mass transportation. Subsequent reports may be issued by the Commission dealing more exhaustively with this general subject or with particular aspects not treated herein.

II. THE URBAN TRANSPORTATION PROBLEM

A. The Urban Transportation Function

The function of the urban area, as distinguished from the social and economic purposes which it serves, is to facilitate human activities which necessitate contact. These activities include commerce and industry, education, the arts, social and political intercourse, and security. Since urbanization preceded technological development, it emerged as a means of civilized life because it reduced "the space that separates man, without freezing the relationships, so that contact and communication may be easy and varied at will." 1/

As long as the technology of communication and transportation was primitive, urban congregations and contacts were limited, essentially, by the distance people could walk in going to or from work or to other places of contact, and the density which could be devised within such distances. This condition prevailed until modern times; common carrier transportation (by horse drawn omnibus) was not introduced until the second quarter of the nineteenth century.

Improved technology of communication and transportation has permitted widening of the geographical area of cities and has raised the quantitative limits of human contacts. The spreading of the geographical base has two dimensions--horizontal and vertical.

Urban concentration of the dimension and complexity which concern us today developed only with rapid and economical modes of transportation. The elevator helped to conquer vertical limitations. Steam, gasoline, and electrically powered vehicles conquered horizontal limitations. Residential scatteration was made possible by rapid transportation. High density land use for both business and residence was made possible by the modern elevator.

It can easily be seen that the functioning of an urban area depends on the readiness with which it accommodates extensive movement of people from place to place. It is also evident that accessibility by means of public streets and other means of transportation is a prime factor influencing urban property values. However, there is no automatic or simple means for relating, comprehensively, the benefits and costs involved in providing for the horizontal transportation needs of the urban community.

A far simpler situation is involved with regard to transportation within particular structures. If the economic benefit of adding stories to a building is outweighed by the cost of providing swift and plentiful elevator service, the limit of land use intensity is being set by the transportation cost involved. Relating a building's height to the cost of its vertical transportation requirements is fairly simple, both as to the measurement of benefit and cost and the decision-making process, since the builder customarily must

---

1/ Luther Gulick, "Observations on Urban Transportation" Congressional Record Vol. 107 (January 17, 1961), p. 860.

supply vertical transportation facilities at his own expense. Builders are far less directly concerned with the costs of horizontal transportation in deciding on the size of a building and where it is to be located; yet the effects of such private decisions must somehow be related to the area's present and prospective means of transportation, and governmental responsibility in this regard is inescapable.

Public concern for accessibility and mobility within urban areas has long been expressed by the municipal provision of streets and highways, and by governmental licensing and regulation of common carriers and vehicular traffic. More recently and diversely, zoning to control the intensity and nature of land use has developed as another transportation-related city function.

The "urban transportation problem," then, arises where provisions for the movement of people within the urban area are so inadequate (costly, slow, inconvenient, hazardous, or uncomfortable) as to impede the area's efficiency and convenience as a locale for shared human activities--the purpose for which the city originated and exists.

B. Urban Transportation Deficiencies

Most large urban communities are frustrated by inadequacies of transportation facilities. The shape of the problem varies widely, particularly among the larger metropolitan areas. For instance, New York's immediate problem is that of retaining its commuter rail systems; in Los Angeles, the problem, according to some observers, appears to be the lack of commuter rail facilities; in other areas it is mainly a question of preserving and improving bus service or easing traffic congestion. Because urban areas and the circulation systems thereof vary so widely, there is no "packaged solution" for urban transportation frustrations. Some manifestations of transportation deficiencies, however, are fairly widespread.

Two general characteristics mark the urban transportation problem in the United States today. First, there is a failure of transportation facilities in most urban areas to meet community standards, and consequently, a general feeling that transportation is inadequate. This applies both to facilities serving private motor vehicles (highway, streets, bridges, tunnels, parking facilities, and devices for traffic control and safety) and to common carrier facilities (bus, streetcar, trolley bus, subway and elevated rail lines, and commuter railroad systems). One recent report expresses this feeling in these terms: "Any citizen who owns an automobile, who travels in a bus, trolley, or commuter train can easily testify to the frustration, the loss of time, the inordinate wear on body, mind, and equipment arising from the present inadequate system." 2/

2/ Bureau of Municipal Research and Pennsylvania Economy League, Eastern Division, Improved Transportation for Southeastern Pennsylvania (Philadelphia, 1960), p. 3.

Secondly, there is community frustration about the apparent inability to remedy transportation inadequacies. Numerous kinds of action are proposed: a new bridge or tunnel; new limited access highways; provision of more parking facilities in the central business district (CBD); or, conversely, banning the use of automobiles from the CBD; changes in traffic control; adjustment of transit and commuter fares; tax relief or other subsidies for private mass transit carriers; and proposals for improved common carrier service by way of public acquisition of privately operated carriers or public provision of mass transit facilities. But the most feasible steps, particularly those of the "piecemeal" variety, usually seem suited only to arrest deterioration rather than to offer prospects for long-range improvement. New problems and needs continue to develop from marked changes in land use, configuration of the urban community, and in traffic patterns and linkages, so that informed dealing with prospective future conditions and needs is extremely difficult. Proposals aimed at long-range handling of the urban transportation problem commonly appear to call for action of such variety and magnitude as to be outside the range of practicable political or economic realization.

Specific manifestations of transportation deficiencies which frustrate many urban communities include the following:

(1) Slowness of movement. The excessive time required to get from one place to another is a widespread cause of complaint. This problem is most evident, perhaps, in the intense traffic congestion affecting the central business district and traffic arteries of numerous cities, especially at morning and evening rush-hour periods. The typical grid arrangement of streets tends to limit vehicular flows at best to a halting, stop-and-go rhythm. But congestion of mammoth proportions also appears on limited-access urban throughways when they are loaded beyond their intended capacities. 3/ Off-street rail facilities in some areas operate at an average speed far below that which would be technically and safely possible if they were equipped entirely with modern rolling stock and up-to-date signalling and control devices. Altogether, with the geographical expansion of urban communities and present impediments to easy movement, the time required for urban circulation is excessive and on the rise in many cities.

(2) Discomfort. Crowded conditions on public carriers, especially at peak traffic periods, offer perhaps the most obvious illustration of this problem. The New York City subway system is frequently criticized for overcrowding, but "standing room only" is the lot of many customers of local transit facilities in numerous other cities also. Crowding of public vehicles is not the only basis for complaint; the users of private autos share with riders of buses--as well as downtown pedestrians--the noise, tension, and exhaust fumes that rise from excessive traffic on overcrowded streets. Customers of commuter railroads often await their trains in ancient, dingy, and stuffy or under-maintained stations.

3/ It may be noted that the "capacity" of a highway facility is not a fixed quantity unrelated to the volume of vehicles gaining access to the facility. In a very real sense, overloading or congestion actually reduces highway capacity as measured by traffic flow that can be carried.

(3) Inconvenience. For the private car user this may involve a shortage of facilities for continous-flow as distinct from stop-and-go driving, or a dearth of parking space within a reasonable distance of his destination. For the customer of transit facilities, inconvenience may involve infrequent service, the lack or dearth of "limited" runs, a lack of transfer rights between systems or lines, or such a thin grid of carrier routes that the use of public transportation demands excessive walking, circuitous routing, or multiple changes. The commuting driver-and-transit-rider may be seriously inconvenienced through lack of parking space near his outlying transit terminal.

(4) Undependability. Disastrous delays in commuter travel schedules through the breakdown of old or under-maintained equipment are not infrequent. But the individual automobile user is even more vulnerable than the public carrier customer to the disruptive effects of storm conditions upon urban circulation. The recent snowstorm closing of New York City streets to private autos was a vivid example of the vulnerability to unusual conditions of ordinary street and road facilities in a congested area. Many car drivers in Washington and other cities can recall recent occasions when a trip usually involving an hour or less of rush-hour travel was changed by storm to a distressing ordeal of 3, 4, and even 6 hours or more.

(5) Costliness. The "transportation" component of the consumer price index (designed to measure living costs for urban wage earners and clerical workers) went up 61 percent between 1947 and 1960. The individual urban traveller is well aware that fares on transit facilities and commuter railroads have risen drastically in recent years. His car-driving neighbor faces increased parking charges, and suffers the fuel waste and car wear involved in stop-and-go driving. Other costs involved in inefficient urban circulation, real but difficult to measure, arise from delay in the movement of goods within cities and the heavy use of street space and valuable private land in congested areas for motor vehicle parking. The community as a whole incurs excessive costs from congestion in providing such services as refuse collection, street cleaning, and fire protection, aside from the large sums directly devoted to traffic control and to street and highway facilities. In 1959, according to the Census Bureau, city governments alone expended $1.5 billion for street purposes--mainly from general municipal revenues. This does not include the sizable spending for through-highway facilities in urban areas that is made directly by State governments, financed largely from State and Federal taxes on highway users. 4/

4/ Federally aided highway expenditures from July 1956 through December 1959, in all urban areas (not only in metropolitan areas or major cities), amounted to $4.9 billion, according to the Bureau of Public Roads. U. S. Senate, Committee on Interstate and Foreign Commerce. National Transportation Policy, Preliminary Draft of a Report....by the Special Study Group on Transportation Policies in the United States (87th Congress, First Session, Jan. 3, 1961), p. 594. (Cited below as National Transportation Policy....)

The foregoing enumeration of widespread deficiencies of urban transportation is intended to be just that, rather than representing a balanced and comprehensive picture of existing conditions. It should not be concluded, from this emphasis on present problems, that there has been no imagination or effort applied in this field. Conditions would be far worse in many urban communities had there not been numerous kinds of action and ameliorative steps taken by public agencies and transit operators during recent years. Nonetheless, it seems clear that such efforts have been insufficient in many areas--and perhaps most critically so in major metropolitan centers--to meet community needs and expectations for urban circulation.

C. Geographic Incidence of Urban Mass Transportation

The word "transportation" broadly relates to the movement of persons and goods. But our concern is more specifically with "urban mass transportation," focusing upon the movement of people within, into, and out of urban areas, and--still more narrowly, as suggested by the word "mass"--on the availability of public or common carriers for such movement. The latter delimitation suggests a need for some idea of the meaning of the word "urban" in this context. Coming from the Latin term for "city," it clearly embraces at least the areas of major municipalities. But how "major"? And are only such city areas involved? Answers of a sort can be found by reference to the characteristics of the "urban" circulation of people.

One key characteristic of urban circulation is that a large part of it involves the recurrent daily movement of people between their homes and working places, schools, and other locations of habitual group activity. There is recurrent daily travel also in rural areas, of course, but such travel generally is either on an entirely individual basis (the farmer or farm worker to a particular farm or field) or involves the assembly of small groups of people--except in the case of schools serving an extended area, in which event bus transportation of pupils is the rule. Recurrent daily travel occurs also in villages and small towns, but again involves limited-size groupings and shorter distances than are covered in an "urban" circulation system.

The need for vehicular transportation arises, obviously, with increasing distance of travel. And it becomes logical and potentially economic to make such transportation available by common carriers (rather than only to provide roadways for vehicles serving separate individuals) when numerous parallel person-trips are to be taken at particular times. There seems to be no clear minimum of population-size for a "city" to need--or at least to be able nowadays to have in operation--a local common carrier system. However, of the Nation's municipalities of 25,000 or more inhabitants, all but a small minority are served by some means of local public transportation--in most instances, a privately operated bus system. The incidence of such local transportation facilities probably drops off rapidly below this population-size level, but no doubt numerous smaller towns are also similarly served.

Taking the 25,000-population figure--with all its limitations--as a reasonable approximate minimum, it appears that every State in the Nation

has some direct concern with urban mass transportation, since each has one or more cities above this size. In fact, there are only 7 States (Alaska, Delaware, Hawaii, Nevada, South Dakota, Vermont, and Wyoming), with fewer than 3 cities of at least 25,000 inhabitants, and in each of 20 States there are 10 or more such cities.

It is not entirely realistic, however, to think of the problems of urban transportation as being bounded by the territory of municipalities. In many instances, as is well known, major individual cities constitute only the central part of a considerably larger "urbanized" area, often including some smaller cities and towns as well as some unincorporated but closely settled territory. Some of the 675 cities of 25,000 or more inhabitants are at the center of such an urban complex; others are satellites within territory centered upon a still larger city. The Bureau of the Census has specifically recognized this phenomenon, for its reporting of population data, in two geographic concepts--"urbanized areas," and "standard metropolitan statistical areas." In each instance, the center is a city with a population of 50,000 or more, but the two kinds of areas differ in other important respects.

In defining a particular "urbanized area," emphasis is placed on delineating contiguous territory which (subject only to limited possible exceptions) is all rather densely populated, and the boundaries are moved out in terms of relatively minor geographical components to the place where density of population falls below the level used as a criterion of "urbanization." A "standard metropolitan statistical area," on the other hand, consists of an entire county or of a group of counties (in New England, a group of town areas) centering upon a city of at least 50,000 inhabitants and found, in terms of certain definite criteria, to be "essentially metropolitan in character" and "socially and economically integrated with the central city."

Both these concepts, clearly, are relevant to the subject of urban mass transportation, but that of the metropolitan area is especially so, in that (1) it emphasizes lines of relationship and flow between the primary urban center and nearby outlying territory, and (2) it allows recognition of the fact that the pattern of extensive daily travel into and out of such a center is not necessarily limited in every instance to entirely "urbanized" territory.

Of the 179.3 million persons counted in the 1960 Census of Population, 112.9 million were found to reside in standard metropolitan areas, as thus defined. At least one such area is to be found in each of 46 of the 50 States--the other 4 being Alaska, Idaho, Vermont, and Wyoming. Most of the Nation's population growth in the 1950-60 decade occurred in the 212 standard metropolitan areas--a rise of 23.6 million persons or 26 percent therein, as against a rise of 4.4 million persons or 7 percent for the remainder of the country.

A map delineating the 212 SMSA's in the United States proper (as well as the 3 in Puerto Rico) is presented on page 11. Twenty-four of the 212 SMSA's spread into more than one State, as shown by Table 1 on page 12; these involve 28 States and the District of Columbia. In addition, the Bureau of the Budget has designated two groupings of SMSA's as standard consolidated areas and both are of an interstate character. These consist of the New York-New Jersey region and the Chicago-Gary, Indiana region. Including these two standard consolidated areas, the total interstate metropolitan population was 38.3 million at the time of the 1960 Census.

Metropolitan areas, then, represent the principal locale of urban mass transportation. There are also, however, 178 municipalities of 25,000 or more inhabitants which, though located outside metropolitan areas, are already actually or potentially concerned with mass transportation needs of their respective communities and in some instances are approaching "metropolitan" status. Adding the 6.3 million residents of these cities to the SMSA total cited above, it appears that over 66 percent of the Nation's total population resides in areas now directly involved with urban mass transportation and its attendant problems.

D. Recent Trends in Urban Mass Transportation

Between 1950 and 1960, as noted above, the population of the Nation's standard metropolitan areas increased 26 percent. During this period, however, there was a marked decline in patronage of urban and suburban public carriers. Figures published by the American Transit Association show that the transit industry provided 9.6 billion passenger rides in 1959, or 45 percent less than the 1950 total of 17.2 billion. 5/ Commutation patronage on Class I railroads (mainly involving commuters into New York, Chicago, and Philadelphia) was similarly dropping off, from 277 million commutation-passenger rides in 1950 to 240 million in 1958, indicating a 13 percent decline in an 8-year interval. 6/

These developments marked the resumption of a downward trend in urban public carrier travel which began considerably before World War II but was then temporarily reversed, especially as a result of wartime restrictions on use of private automobiles. The present volume of transit and railroad commuter travel is only about 40 percent that of the wartime year 1945.

Operating revenue of the transit industry as a whole (in terms of current dollars of changing worth) has dropped off relatively little since 1950--from $1,452 million that year to $1,376 million in 1959. In contrast to the marked decline in rider volume, this reflects, of course, the widespread upward adjustment of transit fares during this period. Operating

5/ American Transit Association, Transit Fact Book, 1960 Edition, p. 7. Except where otherwise cited, other statistics given here concerning transit operations are also from this source.

6/ National Transportation Policy....op.cit., p. 598.

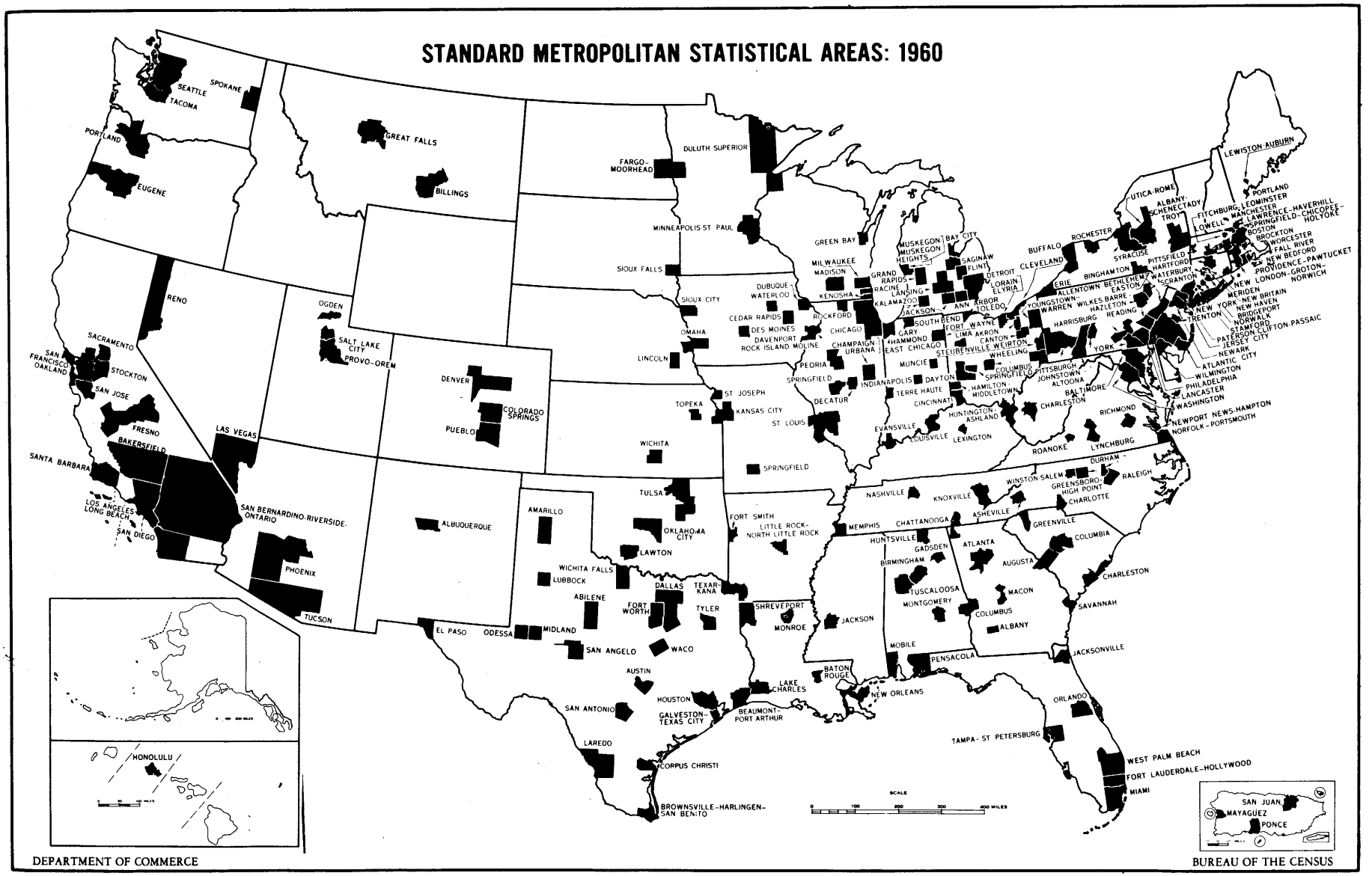
STANDARD METROPOLITAN STATISTICAL AREAS: 1960
SEATTLE
TACOMA
SPOKANE
PORTLAND
EUGENE
GREAT FALLS
BILLINGS
FARGO-MOORHEAD
DULUTH-SUPERIOR
MINNEAPOLIS-ST PAUL
SIOUX FALLS
RENO
OGDEN
SALT LAKE CITY
PROVO-OREM
SACRAMENTO
SAN FRANCISCO-OAKLAND
STOCKTON
SAN JOSE
FRESNO
BAKERSFIELD
SANTA BARBARA
LOS ANGELES-LONG BEACH
SAN DIEGO
LAS VEGAS
DENVER
COLORADO SPRINGS
PUEBLO
LINCOLN
OMAHA
SIOUX CITY
DUBUQUE
WATERLOO
CEDAR RAPIDS
DES MOINES
DAVENPORT-ROCK ISLAND-MOLINE
TOPEKA
ST JOSEPH
KANSAS CITY
WICHITA
SPRINGFIELD
ST LOUIS
GREEN BAY
MILWAUKEE
MADISON
KENOSHA
RACINE
GRAND RAPIDS-MUSKEGON-MUSKEGON HEIGHTS
LANSING
KALAMAZOO
BAY CITY
SAGINAW
FLINT
DETROIT
LORAIN-ELYRIA
CLEVELAND
BUFFALO
ROCHESTER
SYRACUSE
UTICA-ROME
ALBANY-SCHENECTADY-TROY
PITTSFIELD
HARTFORD-WATERBURY
SCRANTON
LEWISTON-AUBURN
PORTLAND
FITCHBURG-LEOMINSTER
MANCHESTER
LOWELL
LAWRENCE-HAVERHILL
SPRINGFIELD-CHICOPEE-HOLYOKE
BOSTON
BROCKTON
WORCESTER
FALL RIVER
NEW BEDFORD
PROVIDENCE-PAWTUCKET
NEW LONDON-GROTON-NORWICH
MERIDEN
NEW BRITAIN
NEW HAVEN
BRIDGEPORT
NORWALK
STAMFORD
PATERSON-CLIFTON-PASSAIC
JERSEY CITY
NEWARK
NEW YORK
TRENTON
ATLANTIC CITY
WILMINGTON
PHILADELPHIA
LANCASTER
WASHINGTON
NEWPORT NEWS-HAMPTON
NORFOLK-PORTSMOUTH
RICHMOND
LYNCHBURG
ROANOKE
DURHAM
RALEIGH
WINSTON-SALEM
GREENSBORO-HIGH POINT
CHARLOTTE
GREENVILLE
COLUMBIA
CHARLESTON
SAVANNAH
JACKSONVILLE
ORLANDO
TAMPA-ST PETERSBURG
WEST PALM BEACH
FORT LAUDERDALE-HOLLYWOOD
MIAMI
PENSACOLA
MOBILE
NEW ORLEANS
BATON ROUGE
LAKE CHARLES
BEAUMONT-PORT ARTHUR
HOUSTON
GALVESTON-TEXAS CITY
AUSTIN
SAN ANTONIO
CORPUS CHRISTI
LAREDO
BROWNSVILLE-HARLINGEN-SAN BENITO
WACO
SAN ANGELO
MIDLAND
ODESSA
EL PASO
ABILENE
FORT WORTH
DALLAS
TEXARKANA
TYLER
SHREVEPORT
MONROE
JACKSON
LUBBOCK
WICHITA FALLS
LAWTON
OKLAHOMA CITY
TULSA
AMARILLO
ALBUQUERQUE
PHOENIX
TUCSON
SAN BERNARDINO-RIVERSIDE-ONTARIO
FORT SMITH
LITTLE ROCK-NORTH LITTLE ROCK
MEMPHIS
NASHVILLE
KNOXVILLE
CHATTANOOGA
ASHEVILLE
HUNTSVILLE
GADSDEN
BIRMINGHAM
TUSCALOOSA
MONTGOMERY
ATLANTA
AUGUSTA
MACON
COLUMBUS
ALBANY
EVANSVILLE
LOUISVILLE
LEXINGTON
HUNTINGTON-ASHLAND
CINCINNATI
TERRE HAUTE
INDIANAPOLIS
DECATUR
PEORIA
CHAMPAIGN-URBANA
CHICAGO
ROCKFORD
SOUTH BEND
FORT WAYNE
GARY-HAMMOND-EAST CHICAGO
LIMA
AKRON
CANTON
STEUBENVILLE-WEIRTON-WHEELING
MUNCIE
DAYTON
COLUMBUS
SPRINGFIELD
HAMILTON-MIDDLETOWN
TOLEDO
ANN ARBOR
JACKSON
YOUNGSTOWN-WARREN
WILKES BARRE-HAZLETON
BETHLEHEM-EASTON-ALLENTOWN
ERIE
BINGHAMTON
HARRISBURG
READING
YORK
PITTSBURGH
JOHNSTOWN
ALTOONA
BALTIMORE
CHARLESTON
SCALE
0 100 200 300 400 MILES
HONOLULU
SAN JUAN
MAYAGUEZ
PONCE
DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

FIGURE 1

Table 1
INTERSTATE METROPOLITAN AREAS

Metropolitan Area	States with part of territory 1/	Number of county areas	1960 Population
New York-Northeastern, New Jersey 2/	N.Y.-N.J.	13 3/	14,759,429
Chicago, Illinois, Northwestern Indiana 4/	Ill.-Ind.	8	6,794,461
Philadelphia	Pa.-N.J.	8	4,342,897
St. Louis	Mo.-Ill.	6	2,060,103
Washington	D.C.-Md.-Va.	7	2,001,897
Cincinnati	Ohio-Ky.	3	1,071,624
Kansas City	Mo.-Kans.	4	1,039,493
Portland	Ore.-Wash.	4	821,897
Providence-Pawtucket	R.I.-Mass.	8	816,148
Louisville	Ky.-Ind.	3	725,139
Allentown-Bethlehem-Easton	Pa.-N.J.	3	492,168
Omaha	Neb.-Iowa	3	457,873
Wilmington	Del.-N.J.	2	366,157
Chattanooga	Tenn.-Ga.	2	283,169
Duluth-Superior	Minn.-Wisc.	2	276,596
Davenport-Rock Island-Moline	Iowa-Ill.	2	270,058
Huntington-Ashland	W.Va.-Ky.-Ohio	4	254,780
Columbus	Ga.-Ala.	3	217,985
Augusta	Ga.-S.C.	2	216,639
Evansville	Ind.-Ky.	2	199,313
Wheeling	W.Va.-Ohio	3	190,342
Lawrence-Haverhill	Mass.-N.H.	2	187,601
Steubenville-Weirton	Ohio-W.Va.	3	167,756
Fall River	Mass.-R.I.	2	138,156
Fargo-Moorhead	N.D.-Minn.	2	106,027
Texarkana	Tex.-Ark.	2	91,657

1/ The State containing the central city (or the more populous one when there are two central cities) is listed first.

2/ A "standard consolidated area," consisting of 4 standard metropolitan statistical areas (New York, Newark, Jersey City, and Paterson-Clifton-Passaic) plus Middlesex and Somerset Counties, New Jersey.

3/ Counting New York City as a single area, rather than in terms of its 5 component "counties."

4/ A "standard consolidated area," consisting of 2 standard metropolitan statistical areas (Chicago and Gary-Hammond-East Chicago).

expenses of the transit industry reportedly moved from $1,297 million to $1,266 million between 1950 and 1959, and its operating income, according to American Transit Association figures, equalled less than 2 percent of its aggregate operating revenue in 1959 as against about 4.6 percent in 1950 and a considerably higher percentage in 1945 and earlier years.

The most dramatic picture of financial difficulty is that presented by a majority of the Class I railroads that handle a considerable volume of commutation traffic. Only 2 of the 13 important suburban railroad services are reported to have been breaking even in recent years. 7/ Complex problems arise in trying to determine costs properly attributable to commuter passenger traffic which is handled as part of a comprehensive rail operation. Nonetheless, the following figures concerning principal Eastern suburban railroad operations in 1957, as supplied by the Eastern Railroad Presidents' Conference, are illustrative of the financial problems of these systems. 8/

Table 2.--Reported Suburban Service Passenger Deficits of Principal Eastern Suburban Railroads, 1957

	Passenger revenues (000)		Passenger service deficit (000)	
Railroad	Total	Suburban service	Total	Suburban service
Boston and Maine.....	$ 10,157	$ 4,735	$12,590	$ 2,646
Central New Jersey....	6,348	6,055	7,054	6,300
Erie.....	7,006	3,990	13,375	2,350
Delaware, Lackawanna and Western.....	9,639	6,409	5,543	3,354
New Haven	53,662	15,921	15,225	7,623
New York Central.....	88,454	18,216	52,283	6,300
Pennsylvania.....	121,740	18,637	57,531	13,213
Reading.....	7,128	5,219	9,047	3,183

More detailed examination of traffic data for local transit systems indicates that rapid transit facilities have, in total, held their own in rider volume during recent years, providing between 1.8 and 1.9 billion passenger rides each year since 1955. The bulk of the most recent decline in local transit business has involved surface vehicles, for which rider volume dropped 20 percent between 1955 and 1959, from 9.7 billion to 7.7 billion.

Surface railway service now accounts for less than 6 percent of all urban transit riding, as against nearly half the total 20 years ago, while the share handled by rapid-transit facilities (subways and elevated trains) has been growing. The following figures show the percent of transit riders carried by various kinds of equipment in 1950, 1955, and 1959:

7/ National Transportation Policy.... op. cit., p. 600

8/ Ibid., p. 628

	1950	1955	1959
Surface vehicles:			
Motor bus.....	54.7 %	62.9 %	67.6 %
Trolley coach.....	9.6	10.4	7.8
Surface railway.....	22.6	10.5	5.5
Subway and elevated railway.....	13.1	16.2	19.1

As might be expected after an extended period of decline in patronage, only a minor fraction of the rolling stock of the urban transit industry is relatively new. This is illustrated by the following figures for 5 rapid transit systems:

Table 3.--Percent Distribution, by Age, of Passenger Cars Used by Rapid Transit Systems of 5 Major Cities, 1960

Age of Equipment (in years)	5-city total	New York	Chicago	Philadelphia	Cleveland	Boston
Less than 5 years	19.3	19.1	32.3	1.9	30.8	12.4
5 to 15 years	14.1	11.0	35.3	1.4	69.2	9.9
15 to 40 years	41.4	42.6	17.9	65.7	--	59.1
40 or more years	25.2	27.3	14.4	31.1	--	18.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: American Municipal Association, The Collapse of Commuter Service: A Threat to the Survival of America's Metropolitan Areas (1960)

Similarly, American Transit Association data indicate that less than 20 percent of the 49,500 motor buses used for urban transportation in 1959 had been acquired within 5 years past, and that more than half of them were at least 10 years old. Of the industry's 4,297 trolley coaches, less than one-fourth were under 10 years old, and only 3 percent of its 3,000 surface railway cars were this youthful.

Practically no recent change is evident, when one looks at national totals, in the track and route mileage of the urban transit industry, aggregating 111.6 million miles in 1959 as compared with 111.1 million in 1950 and 109.2 million in 1945. There has been, within this aggregate, a shift toward bus-route mileage and away from surface railway and trolley bus mileage, but the length of trackage reported for rapid transit service--subways and elevated--has remained practically unchanged at a little over 1,200 miles during the past two decades.

It should not be concluded that the specific routes of urban transportation systems have remained unchanged. There has no doubt been extensive rerouting during recent years, including the extension of public carrier service into growing suburban areas. Altogether, however, such additions and extensions have apparently been offset, insofar as total transit mileage

is concerned, by discontinuance of transit service elsewhere. Some route eliminations have involved only portions of major urban areas, but others have involved the complete loss of public transportation in smaller cities. The Mass Transportation Commission of Illinois heard this statement by a representative of the Illinois bus lines:

> Some of our Illinois transit companies are faced with the necessity of discontinuing their operations, to leave their cities without public transportation--over forty have already done so since V-J Day. 9/

A report to the Governor of New York in 1959 also offered evidence of discontinued bus service in communities of that State:

> During 1958, 15 New York bus companies ceased operations, bringing the total to 138 since 1951. Of these, 125 were regular route carriers serving 105 communities. A total of 22 new companies, serving 32 communities, entered the field in 1958. As a result, since 1951, there has been a net loss of 103 regular route carriers serving 73 communities. In the majority of these cases, I am informed, the abandonments have resulted in the elimination of all bus service to cities such as Plattsburgh, Mamaroneck, Ogdensburg, Oswego, Hornell, and numerous other smaller communities. 10/

Similar developments have applied in numerous instances to suburban service. According to a recent report: 11/

> As a result of continued increasing losses railroads providing commuter service have applied to both State and Federal regulatory commissions to discontinue the most unprofitable commuter trains... Both commissions have authorized discontinuance of trains when faced with evidence of sustained losses. As a result, contraction or reduction of rail service has occurred in all major metropolitan areas and all service on some lines has been discontinued. Notable are the discontinuance of all service on the New York Central's Putnam division, Auburn and Falls Road branches, and the River division on the west side of the Hudson River; the D.L. & W's Cortland branch; the Old Colony division of the New York, New Haven & Hartford Railroad between Braintree and Boston, Mass.; and the Boston & Albany Railroad serving the Boston area from the west.

9/ Illinois State Mass Transportation Commission, The Mass Transportation Problem in Illinois (Chicago, 1959), p. 79.

10/ Robert W. Purcell, Special Report to the Governor on Problems of the Railroad and Bus Lines in New York State (1959), p. 60.

11/ National Transportation Policy.... op. cit., p. 566.

Up to September 22, 1960, under Section 13a (1) of the Transportation Act of 1958, the Interstate Commerce Commission permitted 136 trains to be discontinued, of which 40 or more were in suburban service.12/

The declining role of common carriers with regard to urban circulation, and their attendant financial difficulties, can be traced to numerous factors of which some are briefly outlined below. It may be worth noting, however, that recent developments have in many communities involved a sort of vicious cycle by which seemingly reasonable or inevitable adjustments to transit difficulties produced a further downward spiral: limited patronage appearing to demand service curtailments and fare increases, as well as economies in operation that impaired the comfort or convenience of remaining customers; these actions contributing to further rider losses, with resultant pressure for new curtailments and economies--the whole trend often so clouding the prospects for profitable operation as to cause relatively high costs of borrowing for system extension or renovation, and thus preclude or limit an effort by public carriers to make their facilities more efficient and attractive.

E. Some Underlying Factors

Many conditions and developments have given rise to "the urban mass transportation problem." Some of the more fundamental factors are summarized below.

1. The physical characteristics of the city and of travel flows within it impose tremendous handicaps to the economical provision of transportation facilities. This comment especially relates to the heavy concentration of daytime working-force population at the center of the city, and the sharp peaking of workday travel at the beginning and end of the day. This sets a definite limitation on the extent to which the transportation needs of the congested metropolitan center can be served by highway and parking facilities for private automobiles. It also means that transportation facilities of any sort that are designed to meet peak-load conditions on an adequate basis will be under-used at other periods. For public carriers, this involves a considerable fraction of idle time for operating equipment, and in some instances also of paid but nonworking time for operational personnel. 13/

2. Higher living standards have contributed to the urban transportation problem in many ways, perhaps most of all by making it possible for the overwhelming majority of urban and suburban families to own automobiles, but also by increasing the fraction of the population that can afford suburban home ownership and extended home-to-work travel. Also, with higher

12/ National Transportation Policy....op.cit., pp.574-5.

13/ Illustrative data appear in National Transportation Policy....op.cit., p. 563-4.

standards and conditions of working places, homes, and schools--as to space, ventilation, lighting, and even air conditioning--the discomforts of many public carrier vehicles are probably even more evident and unsatisfactory to the riders of today than they may have been in an earlier era. Community expectations for urban transportation have moved upwards.

3. Widespread automobile ownership has contributed to the urban transportation problem in a great variety of ways--above all, of course, by promoting the development of an extended residential area in the outreaches of urban areas. Such outlying development generally involves far thinner population settlement than was common for "urban" development in the pre-automobile period. This means that a smaller fraction of the area's total population is close to major arteries of daily travel, for which common carrier service is most logical and economic. The private automobile has also cut severely into non-rush-hour use of public carriers, thereby increasing the proportion of total carrier traffic arising from peakload demands. Together with other technological developments, and with the improvement of highway facilities, widespread automobile ownership has made it increasingly feasible for some large industrial and commercial establishments to locate in outlying parts of the metropolitan center, while still drawing upon considerable portions of the entire area for their working forces. This further increases the variety of travel linkages, and reduces the fraction of the total urban circulation that is subject to handling most efficiently by arterial-flow carriers.

4. There are extremely difficult problems of accurate costing and equitable charging for urban transportation facilities and services. Demand seems often to be expressed with little reference to costs. The widespread popular objective is facilities which will permit people "to live and to work where they like," and to be transported quickly and comfortably between home and work, without adequate consideration of the total cost involved or of the possibility of alternative linkage patterns which would require less costly transportation arrangements. The automobile user tends to think only of out-of-pocket costs of using his car for any given trip. He commonly ignores not only the social costs, such as air pollution, but also part of his own direct costs of driving, such as depreciation. Public spending on streets and local urban highways is commonly financed from general municipal revenues (rather than from highway-user revenues), on the ground that these facilities mainly provide "access" benefits which are reflected in property and business values. Yet general taxing powers have not been similarly employed to any important degree on behalf of non-highway facilities for urban transportation and access.

5. Historically, transportation facilities were not planned and developed on a unified or integrated basis, but sprang out of particular needs, at particular times and in particular places. The commuter rail crisis arises in part from the fact that commuter railroads were built mainly in the second half of the nineteenth century, although the crisis arises from twentieth century conditions. Rail services have been managed, taxed and controlled with little reference to the development, management, taxation and control of rubber-borne transportation which mushroomed in the first half of the twentieth century.

6. In most metropolitan areas, responsibility for highway planning, construction and traffic control; regulation of and taxing policy for common carriers; vehicle registration; operation of public transit facilities; and related matters, are the responsibility of separate and often uncoordinated governmental units. There has been little success in efforts to coordinate policy on an area-wide basis--to determine, for example, the appropriate roles of each of the major transportation media within an entire metroplitan area.

III. AVENUES OF GOVERNMENTAL ACTION

Governmental action with respect to urban transportation should serve urgent present needs for (a) effective coordination of the various transportation functions of government--regulation, taxation, provision of highway facilities, traffic control, and public transit operations; (b) area-wide consistency of planning and action by numerous governmental jurisdictions; (c) equitable and consistent policies for financing the various forms of urban transportation--highways, rail and surface transit; and (d) a vigorous research effort. 14/

However, numerous factors make it difficult to organize and mobilize government to achieve these ends. One such complicating factor is the tremendous range of governmental activities which have a direct and important bearing upon urban transportation: the provision of street and highway facilities; regulation of motor vehicles, and the control of traffic and parking; regulation and taxation of private transportation facilities; public provision of parking facilities, and any public provision or operation of mass transportation facilities; also, and hardly less directly, governmental planning, zoning, and property tax practices which materially affect the pattern of urban and metropolitan development. It is clearly impossible that every governmental activity with an important bearing upon urban transportation be brought within a single organizational "tent"; yet there must be substantial consistency in the handling of such activities, or gains made on one facet of the problem will all too often be cancelled out by a contradictory approach or offsetting action in another functional field.

14/ Cooperative ventures in urban transportation research to achieve a desirable potential were described in a summary of the Conference on Transportation Research conducted by the National Academy of Science--National Research Council at Woods Hole, Massachusetts in August 1960:

"We are convinced that public officials at all levels of government, and transportation executives and investors, can improve their means of coordination, cooperation, regulation, and competition. And we are further convinced that working through these improved means they can bring to bear on transportation problems and opportunities, new concepts of research, innovation, investment, and operation. Such matters as selective changes in regulations, mergers of carriers in the same or complementary fields, and removal of factors which restrict one type of carrier from engaging in other modes, need the most careful analysis based on the newest concepts of research. This can add objectivity, focus on criteria capable of less ambiguous measurement, and provide a factual framework for broad understanding and intelligent debate. It can help sharpen the issues. It can provide a more rational basis for decisions on the large investment programs which will be generated by broad efforts to utilize the best of modern technology."

A further complicating factor in most metropolitan areas is the multiplicity of local governments that have some direct share in responsibility for functions involving or affecting urban transportation. It is widely agreed that a less atomistic pattern of local government would permit more effective and equitable provision of public services in metropolitan areas, and that the States should encourage and assist efforts in that direction. However, it would be a counsel of despair to conclude that better governmental handling of the problems of urban transportation must everywhere await drastic revision of the existing structure of local government. Rather, these problems must be met and resolved largely within the context of our present basic governmental structure, subject to such adaptations and additional devices as are found feasible and necessary.

Still another challenge to effective governmental handling of urban transportation problems arises from the importance of ready adaptation to prospective developments. Metropolitan areas are characterized by rapid growth and change; our traditional structure of local government, on the other hand, has much of the "tightness" or fixity of area which was characterized in a physical sense by the walls of the medieval city. Means are needed for adapting governmental mechanisms to the impact of major changes within and around urban centers. To quote from a discussion of this problem with regard to metropolitan planning:

> ....any organizational form which is intended to encompass a region defined not by fixed geographic or historic boundaries but by the extent of a system of interlocking activities needs to be flexible and easily adjustable as to its geographic boundaries. The organizational arrangements made to deal with its planning must be capable of addition and of outward extension when new fringe areas are developed as integral additions to the former system of daily interaction, or, to put it differently, when new activities are developed that cause further interlocking, whether within the current geographic bounds or not. 15/

It is impossible to outline any one "ideal" approach or structure for better governmental handling of the problems of urban transportation. It may be questioned whether such attempted generalization would be fully consistent with our tradition of individual State and local flexibility in working out appropriate patterns of governmental structure and assignments. In any event, uniformity of approach is precluded by the varied nature of the "urban transportation problem" as such, and the kinds of facilities involved in its handling for diverse kinds of communities.

15/ Henry Fagin, "Metropolitan Planning" (Processed paper, 1960).

For example, as shown in Table 4, below, there is a marked difference among cities of various sizes in the proportion of intra-city travel now handled by various kinds of transportation media, and this kind of difference is likely to persist.

Table 4.--Percent Distribution of Travel Within Cities of Various Sizes, by Mode of Travel

City population	All trips	Mass transit passengers	Private automobile riders		
			Total	Drivers	Passengers
1,000,000 and over....	100.0	50	50	32	18
500,000 to 1,000,000..	100.0	36	64	43	21
250,000 to 500,000....	100.0	34	66	41	25
100,000 to 250,000....	100.0	22	78	50	28
50,000 to 100,000.....	100.0	22	78	50	28
Less than 50,000.....	100.0	13	87	56	31

Source: Automobile Manufacturers Association, Automobile Facts and Figures, (1959-60 ed.).

Offstreet facilities are clearly most essential to major metropolitan areas, rubber-borne mass transit facilities may sufficiently supplement the private automobile in metropolitan centers of intermediate size, and smaller urban centers generally have still less demand for mass transportation facilities. (However, the complete absence of any such provision in small cities is likely to prove difficult for those individuals who cannot readily use private cars or for-hire vehicles--e.g., the aged, handicapped, and children.)

Even for areas of similar total population, it is hazardous to generalize about the "best" or "likely" pattern of physical facilities or governmental assignments with regard to urban transportation. Area topography, existing transportation facilities and the arrangements for their operation, prevailing travel patterns (especially home-to-work linkages), as well as the fiscal resources, local government structure, and political leadership of the area--all these and numerous other factors have an important bearing.

While no one approach can properly be recommended, it is possible and may be useful to enumerate some of the kinds of action that have been proposed, or have been actually taken in some instances, to achieve effective governmental handling of urban mass transportation. Such actions may be broadly classified as making use of (1) existing governments; (2) special area-related transportation agencies, or (3) metropolitan-area government.

A. Existing Governments

Under this heading, one may recognize three general kinds of efforts, respectively concerned with: Intragovernmental coordination; new or expanded services; and intergovernmental action.

1. Intragovernmental coordination. Individual municipalities and urban counties are directly involved, as has already been indicated, in a variety of activities that have an important or material bearing upon urban mass transportation. Through their internal structure, and their systems for budgeting, planning, reporting, and executive control and coordination, these governments may consciously seek harmony of purpose and consistency of direction with respect to the effects of these activities upon traffic and transportation.

Commonly at the State government level there are at least two or three distinct agencies whose work has a direct impact on urban transportation matters--above all, usually, the State highway department, but also agencies concerned with vehicle licensing, regulation of intrastate transportation, highway policing, and often, at least to some degree, State development and planning activities. Here again, needs for consistency and coordination may be specifically recognized. Thus, the Governor of California recently recommended broad reorganization of the State government, including creation of a Transportation Agency to bring together relevant activities of three existing agencies--the Department of Public Works, Motor Vehicles, and Highway Patrol. 16/ The State of New Jersey has created in its highway department a division of railroad transportation, which administers the New Jersey railroad subsidy program. This office at least provides the opportunity for exchanges between the "highway man" and the "railroad man." In 1959, New York State created an Office of Transportation in the Executive Department. 17/ The purpose of this Office was stated as follows:

> The legislature hereby finds and declares that: (a) an adequate and efficient transportation and commuter system is essential to the economic growth of the State and the well-being of its people; (b) the State should have an overall transportation policy developed in coordination with the communities of the State, neighboring States and the Federal government; and (c) there is need for an agency of government in the State to assist and advise the Governor in the development of such a policy. 18/

16/ "Reorganization Proposed in California," National Civic Review, vol. 50 (April 1961), pp. 193-194. The proposal calls for a constitutional amendment to authorize the governor to reorganize the executive branch of the State government subject to a legislative veto.

17/ New York Executive Law, Article 19-C (added by N.Y. Laws 1959. ch. 16, Sec. 1, effective February 24, 1959).

18/ Ibid., Sec. 440

Although opinion may differ as to their individual merits, a number of recent actions and proposals may be cited which are designed, at least in part, to accomplish better coordination of Federal Government activities having a strong impact on urban or metropolitan areas. These include:

(a) Provisions for direct inter-agency collaboration. Late in 1960, the Secretary of Commerce and the Administrator of the Housing and Home Finance Agency (HHFA) announced plans for the joint financing, through Federal aid highway planning funds and urban planning grants, of comprehensive planning for urban and metropolitan areas. President Kennedy, in his special message to Congress on housing and community development (March 9, 1961), said: "I have urged an increase in joint planning between the Administrator of the Housing and Home Finance Agency and the Secretary of Commerce, including the participation of State and local housing and highway officials, as well as private experts."

(b) The proposal of a Department of Housing and Urban Affairs. In his same message of March 9, 1961, President Kennedy stated: "an awareness of these problems and programs should be constantly brought to the Cabinet table, and coordinated leadership provided for functions related to urban affairs but appropriately performed by a variety of departments and agencies. I therefore recommend--and shall shortly offer a suggested proposal for--the establishment in the Executive Branch of a new cabinet-rank Department of Housing and Urban Affairs."

(c) The proposal for a Department of Transportation, recently made in a report to a Senate committee by a Special Study Group on Transportation Policies in the United States. 19/

(d) The following suggestions were offered recently by the Institute of Public Administration with regard to Federal activities in the tri-State New York metropolitan region:

> Establish a coordinator of regional programs to..../at least/ be charged with observing and reporting inconsistencies and conflicts in different Federal programs; commenting on specific Federal programs; coordination of statistical data gathering; coordination of related programs--such as housing, highways, and urban renewal, by appropriate joint planning and possibly pooling of planning funds or of grant funds or loans; sitting in on negotiations between regional officials of Federal agencies and State and local officials; and commenting on other developments having to do with Federal policy.
>
> Establish a coordinating council to bring together various civilian and military heads of Federal agencies in the tri-State region for

19/ National Transportation Policy.... op.cit. pp. 111-118.

periodic discussion of common or related problems... Neither Congressional action nor executive order is a necessary prerequisite. 20/

2. New or expanded services. This is a second way in which existing governments can deal with problems of urban mass transportation, and it may find expression in any of numerous forms, of which the following are illustrative:

(a) Strengthening of such particular local government activities as planning and zoning and traffic control.

(b) Creation or strengthening of statewide planning agencies to promote the orderly growth of the State and, hopefully, to help assure that in the planning and placement of public facilities--recreational sites, housing and renewal projects, governmental buildings, and the like--due account is taken of their implications for urban transportation.

(c) Subsidies or other assistance to aid commuter railroads or other private transportation facilities to maintain service. Examples under this heading include the New York program to provide cars to commuter railroads by purchase-lease arrangements through the Port of New York Authority; 21/ New Jersey's program of service contracts with private railroads to assure continued commuter service; 22/ relief from certain fuel taxes or franchise fees; and exemption or relief from property taxation. 23/

20/ Institute of Public Administration, The Role of Governments in Meeting Passenger Transportation Needs in the Tri-State New York Metropolitan Region (New York, 1960), pp.17-19.

21/ Under this program--which required the concurrence of the New Jersey legislature although that State does not participate--the State of New York has authorized the expenditure of $20 million to be used by the Port of New York Authority, a bi-State agency, in purchasing railroad cars. These cars are leased to commuter railroad lines. See N.Y. Laws 1959, ch. 638 and 639. The New Jersey concurrence is contained in Laws 1959, ch. 25.

22/ Under recent legislation, New Jersey is authorized to contract with major commuter railroads for service. Participating carriers are given a subsidy in return for a promise to continue essential commuter service. There is an appropriation of $6 million to underwrite the program for one year.

23/ A comparative discussion of State Tax and Other Relief for Commuter Railroads is contained in a report of that title prepared by the Massachusetts Legislative Research Bureau (1961).

3. Intergovernmental action. In many communities existing governments can, along some of the lines enumerated above, take helpful steps "on their own" to improve their dealing with urban transportation problems. But cooperative or related efforts by various governments are essential if real progress is to be made, especially in and around major metropolitan centers. While such mutual efforts may be stimulated or assured by intergovernmental financial assistance, this is not the only expression of intergovernmental relationships to be considered. Rather, we are concerned with the varied means of communication and assistance by which individual governments can jointly and cooperatively contribute to improved transportation in metropolitan areas. Following is an illustrative summary listing of some of the possible devices:

(a) Informal liaison between officials undertaking related programs or similar functions in different jurisdictions. Although difficult to measure or document, such relationships undoubtedly are already of great significance and value as a device of program coordination across jurisdictional lines within many metropolitan areas.

(b) Use of formal instrumentalities of communication, such as the several regional councils or conferences which exist in the New York, Washington, D.C., and (most recently) San Francisco Bay areas; 24/ State commissions on intergovernmental cooperation; or creation of appropriate State or local governmental offices to facilitate liaison with other governments. 25/

(c) On a somewhat higher level--although the lines of demarcation are far from fixed--intergovernmental resolution of a particular major problem is sometimes achieved without creating any highly formalized

---

24/ The Association of Bay Area Governments was created in 1960 under the California Joint Exercise of Powers Act. Title 1, Div.7, Ch.5, Government Code of California (added by Calif. Stat. 1949, ch. 84, p. 329, Sec.1). This forum represents city and county governments in the San Francisco Bay Area and has as its principal purpose to "develop studies and policies for discussion by the representatives of the cities and the counties, in order that they may recommend to the boards of supervisors and to the city councils actions which are believed to be necessary." Quoted in Metropolitan Area Problems: News and Digest, vol. III (May-June 1960), p. 1. See also Stanley Scott, "Bay Area Association Holds First Meeting," National Civic Review, vol. 50 (April 1961), pp. 202-206.

25/ For example, the Office for Local Government established by New York State in 1959, and the recent proposal that the New York City Charter provide for a bureau of intergovernmental relations, reporting to the mayor. See the New York State Commission on Governmental Operations of the City of New York, Draft of Proposed Charter for the City of New York (1961), p. 6.

mechanism. This may involve a crisis situation--such as that recently described as follows by the Governor of New York State:

> By October 1 of last year, the financial crisis of the New Haven Railroad had reached a point at which bankruptcy and possible curtailment of service appeared imminent. On October 25th, I met with the Governor of Connecticut, the Mayor of New York City and County Executive of Westchester County to consider a course of joint action designed to enable the New Haven to continue adequate service, both passenger and freight, between New York and Southern New England. Our staff representatives, later joined by representatives of the Governors of Massachusetts and Rhode Island, convened immediately to draw up detailed plans for a cooperative tax relief program and for an equitable sharing of financial assistance among the States and communities served by the railroad. Assurances that recommendations for such relief and assistance would be made by the governors of each of the four states were given to the Interstate Commerce Commission and enabled that Commission, pursuant to Federal Law, to guarantee $11.5 million of unsecured loans made to the New Haven by private lenders in the period from October 31, 1960, to date. Without these loans, the New Haven would now be in bankruptcy proceedings. The final report of the Interstate Staff Committee was submitted to the Chief Executive of the states and localities concerned on January 22 of this year. 26/

The difficulty is that cooperation on a crash basis, as in this instance, may not carry with it the necessary support from those who are ultimately called upon to carry out interim agreements.

(d) Joint and cooperative use of personnel. In a 1959 report, the Council of State Governments noted that it is possible by this approach to achieve "correlation of programs to an extent not otherwise possible. Conflicting provisions can be minimized and joint or complementary programs promoted." 27/ The Council report also listed several methods for cooperative use of personnel:

> Staff services can be extended on a contract basis. Personnel may be jointly appointed and jointly paid

26/ Nelson A. Rockefeller. New York Executive Chamber. Message to the Legislature (press release, March 7, 1961).

27/ Council of State Governments, Patterns of Intergovernmental Cooperation (Chicago, 1959), p. 14.

> by the Federal and State governments. Or, agents of one level may be deputized, commissioned or otherwise authorized to enforce the laws or administer programs for the other government. Finally, personnel may be loaned by one level to another. 28/

This arrangement could be utilized in regional transportation planning efforts by way of temporary loan of personnel of the State planning agency or some other agency to assist local transportation planning efforts. The Model State and Regional Planning Law provides for temporary exchange of personnel. 29/ In addition, Federal employees of the Bureau of Public Roads, for example, could be assigned to participate in a regional transportation planning effort.

(e) Joint and cooperative use of facilities. The Council of State Governments in the same report stated:

> In administering a number of programs, facilities owned by one level of government are jointly used. Such cooperative use may occur in connection with a joint program, or may result from a contractual or cooperative arrangement where no joint programs are involved. Frequently it is possible for the federal government to avoid duplication of research and other facilities, and to coordinate federal and state programs, by making arrangements to use existing state facilities. It is also possible to gain closer relationship to and consideration of various local and regional factors. Similarly, the states may avail themselves of existing federal facilities. 30/

This arrangement could be used in mounting urban transportation research projects, particularly where such projects involve demonstration programs of an experimental nature.

(f) Technical assistance. Especially with regard to functions for which the Federal Government and States distribute sizable grants (e.g., highways and public assistance), close intergovernmental relationships have also developed in the form of technical advice and assistance. While urban and metropolitan governments have been able to obtain technical assistance concerning highways and housing, there has thus far been little corresponding provision with regard to other facets of urban transportation, or for

---

28/ Ibid., p. 14.

29/ National Municipal League, Model State and Regional Planning Law (New York, 1955), p. 34.

30/ Council of State Governments, op. cit., p. 13.

comprehensive metropolitan-area planning.

(g) Financial assistance. In practically every State, significant amounts are distributed among local governments for highway purposes, mainly from the proceeds of State highway-user taxes. 31/ Moreover, direct State spending for highways (including construction financed with Federal assistance) provides much or all of the arterial highway network within many metropolitan areas. With but relatively few exceptions, however, there has been no provision of State financial assistance to local governments with regard to other phases of urban mass transportation.

The Federal Government has a number of grant programs involving transportation, e.g., the Federal aid highway program, planning grants by the Housing and Home Finance Agency, and grants for airport construction. Legislation before the current session of Congress (principally S.345) proposes increased mass transit planning grants, loans for construction of mass transit facilities, and Federal funds to underwrite mass transit demonstration programs. Suggestions have also been made for outright Federal grants to aid in construction and operation of mass transportation facilities in metropolitan areas.

B. Area-wide Transportation Agencies

Action through existing governmental machinery, along lines discussed above, can contribute significantly to the solution of urban transportation problems. It has been persuasively argued, however, that such action alone is not enough, especially insofar as major metropolitan centers are concerned. Thus, thirty-five years ago, in an article on "traffic problems," in the 1929 edition of the Britannica, the following discussion appeared: 32/

> At the root of the traffic problem in great centers of population lies the difficulty that the present local government boundaries usually have no relation whatever to the wider traffic region upon which the welfare, the work and the very existence of the city depend. Concerted action for the common good is defeated by the multiplicity and divergent interests of the small administrative units which encircle the city. In the aggregate the resources of the greater community forming the traffic region are amply sufficient to provide the remedies

31/ In fiscal 1960, State payments to local governments for highway purposes totaled $1.2 billion, according to the Census Bureau's Summary of State Government Finances in 1960.

32/ "Traffic and Traffic Regulations," Encyclopedia Britannica (1929), vol. 22, p. 392.

> which are admitted to be necessary, but the application of these resources to the desired purposes is impracticable, in the absence of some public body empowered to determine the best means of promoting improvement schemes and to apportion the cost over the traffic region which ultimately benefits.

This would suggest dealing with problems of urban traffic and transportation through some kind of governmental agency having concern for an entire metropolitan area. Various devices of this nature have been proposed or employed. Without attempting an exhaustive inventory, it may be useful to review examples of the three kinds of activity which have been undertaken with regard to transportation on an area-wide basis: (1) planning, (2) regulation, and (3) the direct provision of mass transportation.

1. Planning. A number of regional transportation surveys have been made or are in process. These in turn offer guides for future studies. The State of Illinois has undertaken a study of "all phases of mass transportation in congested urban areas of the State, particularly in densely populated counties." 33/ This is noteworthy because it shows a concerted effort to discern statewide responsibilities. However, development of regional concepts involves, basically, regional transportation planning studies. These have been organized in a number of ways, often under a cooperative financing arrangement of the State or States concerned, the local governments and the U S. Bureau of Public Roads. The Bureau's support is made possible through funds available under Public Law 85-767 (so-called 1½ percent planning funds).

The Chicago Area Transportation Study was sponsored by the Bureau of Public Roads, State of Illinois, Cook County and the City of Chicago. The Penn-Jersey study of the Philadelphia-Camden area is sponsored by the two States, the City of Philadelphia and eight New Jersey and Pennsylvania counties, and the Bureau of Public Roads. In general, these and other major transportation studies (e.g., San Francisco Bay Area and St. Louis) are extensive in geographic coverage. They usually attempt a comprehensive survey of transportation alternatives, but emphasis varies according to the preconceptions of the sponsoring groups or of the study staff.

There has been increasing appreciation of the necessity for relating transportation planning to land use planning; this is particularly emphasized in the Penn-Jersey study. Among other things, that study examines the implications for regional development of various transportation systems and the possibilities of economizing on transportation requirements by efficient land use planning. As mentioned earlier, funds are becoming available for planning

---

33/ Illinois State Mass Transportation Commission, op.cit., p. 5.

through the joint program of the Bureau of Public Roads and the Housing and Home Finance Agency. This should lead to a greater effort in relating land use and transportation plans.

For our purpose, at least two things are noteworthy:

--There is clear precedent for regional transportation studies, involving financial, technical and policy participation by all levels of government and by various major jurisdictions concerned with transportation in particular metropolitan areas.

--The studies made thus far have been primarily of an ad hoc nature. There has been little attempt to provide means for a continuing planning process rather than developing, at one point in time, a transportation plan. In the future, there should be greater emphasis on establishing and maintaining a planning process which continues to function as actual implementation gets under way. This is the theory underlying creation of the National Capital Transportation Agency, which is discussed in connection with "Provision of Mass Transportation," below.

2. Regulation. Of particular concern is the problem of effective regulation of private carriers in metropolitan areas in a manner which will contribute to the development of coordinated transportation policy. This subject deserves considerably more study and attention than has been possible within the scope of the present report.

Present Federal and State regulatory agencies, operating usually in a quasi-judicial framework, may not be effectively organized to grapple with the broad and timely questions of public welfare which are involved. James M. Landis, in a report on regulatory agencies to President-Elect Kennedy in December 1960, made this comment:

> A prime criticism of the regulatory agencies is their failure to develop broad policies in the areas subject to their jurisdictions. As this report noted earlier policy formulation can be made in various ways including the adjudicatory process. The failure to utilize other methods for policy formulation is due primarily to the pressure of business on the adjudicatory side.
>
> Policy formulation, unless required by the disposition of a particular case, means planning measures as how best to dispose of pending problems or how best to forecast and explore solutions to problems still on the horizon...The duty to undertake such planning is set forth with considerable specificity in many of the basic statutes creating the agencies, and yet plans have failed to evolve. Transportation is the most obvious of these areas. Planning to deal with the inevitable impact of increased competition on both long-haul and short-haul freight and passenger rail transportation has been minimal. Bureaucratic

> obstacles to the abandonment of unprofitable intercity service became so severe and so unrealistic that the Transportation Act of 1958 sought in a way, perhaps too severely, to cut the Gordian knot. The problems of the shorter-haul carrier, such as the New Haven Railroad, could be seen long in advance but plans to deal with the problem as such have not yet been devised. The general deterioration of rail service, particularly on the Eastern roads, goes on apace yet its tie-in with rates and financing is still to be determined. Such solutions as have been devised are piecemeal in character and bold and imaginative thinking is lacking. 34/

One pioneering approach to problems of transportation regulation in an interstate area may be mentioned. Virginia, Maryland, and the District of Columbia, with the consent of Congress, have established a regional transit regulatory commission for the metropolitan area of Washington, D. C. 35/ The Commission provides regional regulation to replace formerly divided regulation, which had been described as follows:

> Under the existing organization of regulation, four utility regulatory commissions, each within its own sphere of regulation, are exercising jurisdiction over transit operations in the metropolitan area. Intrastate traffic in Virginia and Maryland is subject to the jurisdiction of the State Corporation Commission and Public Service Commission, respectively. Intra-District traffic is subject to regulation by the Public Utilities Commission of the District of Columbia. The Interstate Commerce Commission has jurisdiction over traffic moving between the political jurisdictions. 36/

In some instances, a company providing bus service in the Washington area was subject to rate and regulation by two of the State or District regulatory bodies and also by the I.C.C.--although to some extent the I.C.C. tended to limit its jurisdiction under the commercial zone exemption of section 203 (b) of the Interstate Commerce Act. The regulatory pattern in the area was such as to preclude as a practical matter any recognition and response to regional needs by private operators:

34/ For text see United States Senate Committee on the Judiciary, Report on Regulatory Agencies to the President-Elect (86th Congress, 2d. Session, Committee Print, December 1960), pp. 22-23

35/ Public Law 86-794.

36/ Jerome M. Alper. Transit Regulation for the Metropolitan Area of Washington, D.C. (Washington, D.C.: National Capital Planning Commission 1955). p. 3.

> It is apparent from these facts that the pattern of service and structure of rates in the metropolitan area have developed on a company and limited service area basis. Regulation, limited as it is to jurisdictional compartments, has deprived any agency of power to orient the pattern of service and rates to a communitywide basis. The centralization of regulatory authority in a single agency, which would be substantially achieved under the subject legislation, is an essential step in bringing about a more satisfactory transit service. 37/

3. Provision of mass transportation. There has been a gradual tendency to promote the use of special purpose agencies to achieve a better functioning of governmental services in transportation. This may not necessarily involve direct governmental operation, as is illustrated by Philadelphia's Passenger Service Improvement Corporation:

> The city of Philadelphia, two railroad companies, and 23 railroad unions have joined to organize a nonprofit corporation, the Passenger Service Improvement Corporation of Philadelphia, to provide fast, low-cost commuter service from outlying portions of the city. The corporation will have 15 directors--11 appointed by the mayor, two by the railroads, and two by railroad labor union representatives.
>
> Service initially will be confined to rail travel within the city and will provide rides from outlying sections at 30 cents per ride, a considerable reduction from the regular fare. The Pennsylvania and Reading Railroads will act as contract carriers for the new corporation and will be guaranteed additional amounts if fares do not meet minimum guarantees. A city subsidy of about $500,000 will be provided for operations in 1960. 38/

The corporate nature of this experiment is significant, as a device for bringing government and private interests into a cooperative arrangement. Where there is need to organize a purely public enterprise under the corporate umbrella, the device of the public authority is often used--e.g., the Federal St. Lawrence Seaway Corporation, State port or power authorities, and municipal authorities, such as New York City's Triborough Bridge and Tunnel Authority and the New York City Transit Authority. (The latter operates the municipal subway system, but is not strictly a municipally controlled operation, since the

---

37/ U.S. Congress. House of Representatives. Washington Metropolitan Area Transit Regulation Compact (86th Congress, 2d. Session, H. Report No. 1621, May 18, 1960), p. 7.

38/ Public Management, vol. 42 (March 1960), p. 63.

Authority board includes an appointee of the mayor, an appointee of the Governor, and a chairman selected by these two.)

An alternative to administration through a special-purpose district or authority is to utilize the services of some existing unit of government to provide transportation service. Such an arrangement presently applies with regard to about 50 municipal governments in the United States. However, a majority of these are relatively small cities. Of the 310 cities of more than 50,000 inhabitants, only New York (through the transit agency mentioned above) and 14 others own and operate a local transportation system. Aside from the New York City system, the overall financial scale of these operations is relatively limited. In 1959, according to Bureau of the Census data, city-operated transit systems (aside from New York's) altogether had operating revenue of $99 million, current operating expenditure of $86 million, and capital outlay of $10 million. Altogether, these 14 cities also had outstanding indebtedness of approximately $57 million for transit system purposes.

The area-wide special purpose agency may offer a more impressive opportunity for public provision of mass transportation facilities and services. Such an agency may take one of several forms but all involve essentially a public corporation. A few examples of how the special purpose agency device has been used may be noted.

The Port of New York Authority is perhaps the most famous public corporation in the United States. It is a bi-state agency of New York and New Jersey, performing specified port and transportation functions in the Port of New York. These include operation of piers, air terminals, bridges and tunnels, bus and truck terminals and related functions. Recently, it has been given the job of administering New York State's program for purchase and lease of cars to the commuter rail lines. In addition, proposals which may widen its functions include construction of a world trade center in downtown Manhattan and acquisition and operation of a trans-Hudson River subway. 39/ However, the Port Authority has lacked any strong concern with overall transportation needs of the Port District, the broader N.Y.-N.J. standard consolidated area, or the 22-county metropolis of New York, New York-New Jersey and Connecticut as described by the Regional Plan Association. The Port Authority has frequently been criticized for its reluctance to engage in commuter railroad operations, which would appear to involve either some application of funds from its most profitable facilities (tunnels and the George Washington Bridge) to operations from the States or from local self-supporting, or sustaining appropriations from the States or from local governments in the area concerned.

The Chicago Transit Authority was established by act of the Illinois legislature in 1945. It is a public agency controlled by a seven-number

39/ Legislation to accomplish both purposes was approved by the New York legislature during the 1961 session. New Jersey concurrence is required.

board, three named by the Governor of Illinois and four by the Mayor of Chicago. The Authority is authorized to operate in an area comprising most of Cook County. By the issuance of revenue bonds, it initially purchased three private companies that formerly operated elevated trains, street-cars, and buses in Chicago and nearby territory. Street-cars for surface transportation have since been entirely eliminated in favor of buses and trolley buses. The Authority's rail operations include subway-and-elevated lines that extend beyond the Chicago city limits.

According to an intensive transportation survey made in 1956, public mass transportation facilities account for only about one-fourth of all daily person-trips in greater Chicago (the land area within about 30 miles of downtown Chicago), with automobiles providing the other three-fourths. However, for travel into and out of the central business district, the mass transportation facilities are of prime importance. At peak periods (around 5 p.m. of workdays), according to Authority studies, private autos and taxicabs handle only about one-seventh of the people leaving the city center; buses take another one-seventh; and the remainder--72 percent--are served by grade-separated transportation facilities--roughly half-and-half by the privately operated suburban railroads and by the Authority's subway-elevated equipment.

Transit Authority expenditures for extension and modernization of facilities have been financed by issuance of revenue bonds and equipment trust certificates. Further modernization efforts have been delayed or hampered, according to Authority officials, by the high rate of interest (in some recent instances, 6 percent) involved in equipment trust borrowing. The Authority has sought State legislation to permit tax-subsidized financing of capital funds to be used to improve and extend its rapid-transit system, but thus far without success. In support of such action, the Authority has pointed out that grade-separated rail facilities can provide commuter carrying capacity at a minor fraction of the cost of express highway facilities, and has illustrated this point by reference to the Congress Street Expressway, where a rail line operates in the median strip.

The Los Angeles Metropolitan Transit Authority was established to develop rapid transit service for the Los Angeles area. A recent report by the Southern California Research Council describes the corporation and its problems:

> The Los Angeles Metropolitan Transit Authority, a State-created public corporation charged with establishing a rapid transit system in the Los Angeles Basin, has developed comprehensive plans for rail rapid transit. It has studied bus and other forms of passenger transportation. The Authority is charged with coordinating its operations with existing forms of transit.
>
> The powers of MTA are limited: it does not have the power of (direct) eminent domain; it cannot use public streets without city and county permission;

> it cannot levy taxes. The right to issue bonds is MTA's only financial resource, and this right is restricted by its employees' freedom to strike. On the other hand, it is free to act without reporting to legislative or administrative bodies for its actions, and it need account to no electorate.
>
> The net effect is that the Authority is too weak to develop an integrated master transit system, but at the same time has too few political controls to be acceptable to the general public. MTA itself has admitted a lack of power, and the vigorous opposition to MTA's request for increased powers is testimony to the lack of political control. Clearly, more adequate legislation will be required if public transit is to develop on a comprehensive scale in Southern California. 40/

Creation of a Baltimore Metropolitan Transit Authority, as a State instrumentality, has been proposed by a Maryland Commission. This agency would have--on an intrastate basis--regulatory functions similar to those of the Washington area regulatory commission described above, but it would also have authority to acquire and operate public transportation facilities. It would require local approval before exercising power of eminent domain, and would not be empowered to effectuate any total transportation policy for the region. 41/

The National Capital Transportation Agency (NCTA) was created by Congress in 1960 to provide first-stage implementation of plans for a major transportation system, as proposed in the mass transportation survey issued by the National Capital Planning Commission and the National Capital Regional Planning Council. The original legislative drafts prepared to implement the survey's recommendations called for creation of a temporary Federal corporation with broad planning and operating powers, although subject to approval of plans by the Governors of Maryland and Virginia. 42/ As enacted, the authorizing legislation provides somewhat less power to NCTA. Moreover, the basic issues

---

40/ Southern California Research Council, An Approach to an Orderly and Efficient Transportation System for the Southern California Metropolis (Report No. 8, 1960), p 43.

41/ Baltimore Metropolitan Area Mass Transit Legislative Commission, Report (1960).

42/ Institute of Public Administration, National Capital Transportation Authority, Preliminary Draft for Discussion Purposes (U.S. Congress. Joint Committee on Washington Metropolitan Problems, 86th Cong., 1st. session, October 1959).

of financing have yet to be fully resolved. 43/

Under the legislation creating NCTA, negotiations are to commence toward an interstate compact among Maryland, Virginia, and the District of Columbia. This compact--when adopted--would create a permanent regional transportation authority, possibly with limited taxing powers, and probably with broad planning powers, eminent domain, and authority to acquire, construct, and operate a mass transportation system involving both express buses and rapid transit rail facilities. The authority would replace the National Capital Transportation Agency and might be authorized to take over the regulatory functions of the Metropolitan Area Transit Commission. 44/

The San Francisco Bay Area Rapid Transit District was created by action of the California legislature in 1957. The District has jurisdiction initially within Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties; four other counties in the Bay region may join. The board of directors is composed of officials of the participating local governments under a proportional system of representation. The District levies a property tax which in the fiscal year ending June 30, 1960 produced $1.6 million. In addition, recent State legislation authorizes the application of surplus automobile tolls from the San Francisco-Oakland Bay Bridge to finance construction of a proposed trans-Bay rapid transit tube. The Federal Government has consented to this action. The District has prepared plans for an extensive rapid transit rail system in the Bay area, which will involve, inter alia, installation of rapid transit facilities on the Golden Gate Bridge. The system is estimated to cost nearly one billion dollars and the necessary bond issue to finance construction will be subject to the approval of the electorate. This referendum was scheduled for the November 1960 election but has been postponed for at least one year. 45/

It is possible that this special purpose agency might in time be merged with some multipurpose metropolitan agency. One proposal, offered by the Golden Gate Authority Commission, envisions the eventual merger of the Bay Area Rapid Transit District with a proposed Golden Gate Transportation Commission. 46/ Legislation to authorize creation of multipurpose metropolitan districts is before the California legislature.

43/ Public Law 86-669.

44/ For a summary of the action and proposals for transportation in the Washington area, see Howard N. Mantel, "Seek Transit Solution", National Civic Review, vol. 50 (May 1961), pp. 242-247.

45/ See, San Francisco Bay Area Rapid Transit District, Annual report for the period ending June 30, 1960. For text of legislation see California Public Utilities Code.

46/ California. Golden Gate Authority Commission, Final Report (1961).

The Boston Metropolitan Transit Authority (MTA) was created pursuant to Massachusetts Acts of 1947, c. 544 and subsequent legislation. It was authorized to acquire the properties of the Boston Elevated Railway Company, which was in serious financial condition, and "to provide a system of public rapid transit and surface transit in communities of the Boston metropolitan area." 47/

The fourteen member communities of the MTA are the original participants since, according to one report, "subsequent efforts to add other cities and towns have come to nought since 1947." 48/ Management is vested in a three member board of trustees appointed by the Governor; all must be residents of communities belonging to MTA and, under the law, "one shall be experienced in the transportation field, one in labor relations, and one in administrative and financial matters." Capital construction and acquisition is financed through notes sold to the Boston Metropolitan District, a special agency which manages the Boston Elevated Railway Company debt (and, later the MTA debt), on behalf of the MTA communities. The District in turn "sells tax-exempt bonds and notes to the public, according to lengthy, detailed procedures and requirements spelled out by law." 49/ In addition, a reserve fund (available from the original MTA bond issue) is used to make up income deficiencies. Where the fund cannot (and in practice, does not) cover such deficiencies fully, the State advances funds to MTA and is reimbursed by assessments upon the MTA communities.

MTA service can be extended into cities and towns which are not a part of the transit district by legislative action or by way of a lengthy home rule procedure. The latter was tried for Quincy and Braintree in May 1948 but with negative results.

C. Metropolitan Government

This is a third possible approach to achieving a coordinated and balanced transportation system for a metropolitan area. To the extent that use of existing governments or of a special area-related transportation agency may not be sufficient, there is additional incentive to create a new general-purpose government which has concern for transportation as one of its various functions.

The Council of State Governments, in its 1956 report on the States and metropolitan problems, recommended that:

47/ James H. Powers, Memorandum to the Transportation Committee Relative to the Metropolitan Transit Authority and Proposed Rapid Transit Extensions to Needham (1960), p. 5.

48/ Ibid., p. 5.

49/ Powers, op. cit., p. 8.

> The States should establish legal authorizations for the creation of general metropolitan units that will be adequate in functions, financing ability and structure....Three principles are advisable as guides in revising or preparing legal authorizations.
>
> The first is that the metropolitan units should be permitted to exercise a range of functions sufficient to eliminate, or reduce noticeably, service and regulatory deficiencies that are area-wide or present in more than one locality of the area.
>
> The second principle is that the metropolitan units be given a broad and equitable basis for financing, including the powers to levy taxes, issue bonds and make service charges. They should possess such powers so that they can undertake activities that are metropolitan and more than local and that cannot be financed on a self-supporting basis limited to service charges and revenue bonds.
>
> Third, the metropolitan units should be constructed in most instances so that they are directly responsible to, and controlled by, the people of the metropolitan areas in which they operate. The members of their governing bodies should be either elected by the metropolitan area residents or appointed by the governing bodies of the member local governments. 50/

The Council suggested that these general metropolitan units cannot be prescribed of any one type, but noted that three types "generally have the greatest merit--the multipurpose metropolitan district, the federation arrangement, and the comprehensive urban county form."

An example of State authorization for a multipurpose metropolitan district is found in a 1957 act of the Washington legislature, which permitted creation of metropolitan municipal corporations to provide one or more of the following metropolitan functions: sewage disposal, water supply, garbage disposal, parks and parkways, comprehensive planning. As to public transportation, the legislation provides that the metropolitan municipal corporation has powers to develop a comprehensive plan for public transportation service, acquire (by purchase, condemnation, gifts or lease) or to construct, and to maintain, operate and regulate the use of all types of metropolitan transportation facilities. There is provision for acquisition of public transportation facilities owned by a city. Privately owned public

50/ The Council of State Governments, The States and the Metropolitan Problem (Chicago, 1956), pp. 132-133.

transportation services, with stated exceptions, are to cease operation on "the effective date on which the metropolitan municipal corporation commences to perform the metropolitan transportation function" except that an agreement may be entered into whereby the private transportation service continues. The legislation states:

> Where any such local public passenger transportation service will be required to cease to operate within the metropolitan area, the commission may agree with the owner of such service to purchase the assets used in providing such service, or if no agreement can be reached, the commission shall condemn such assets in the manner provided herein for the condemnation of other properties. 51/

Metropolitan government may be achieved in other ways, including city-county consolidation. A federated arrangement, of the kind that exists in Toronto through the Municipality of Metropolitan Toronto, and the Miami-Dade County arrangement, in which a revitalized county government is assigned additional functions again through a federated arrangement, may both be noted. 52/ Marked improvement of transportation in the Toronto area has been reported. However, one writer has noted that the semi-independent position of the Toronto Transit Commission has made it difficult for the metropolitan government to bring its planning powers to bear upon the Commission. 53/

51/ Washington Laws 1957, ch. 213. The sections on transportation are contained in Secs. 24-27. However, an initial effort to deal with transportation as well as other functions for the Seattle area under this enabling legislation was unsuccessful, as described in the First Annual Report of the Municipality of Metropolitan Seattle (p.3):

> "Under the legislation, establishment of the municipality required a vote of the people in the area, with a favorable majority needed both in Seattle and in the suburban areas. An election in March 1958 calling for a municipality empowered to function in the fields of sewage, planning and transportation was lost in the suburbs. The proposition was back on the ballot in the fall primary election on September 9, 1958. This time the area voting was restricted to the Seattle-Lake Washington drainage basin and the authorization limited to pollution control. The election victory was decisive. The proposition received 58 percent of the vote in Seattle and 67 percent in the suburban areas."

52/ See, for a discussion of the metropolitan Miami problem before the urban county was developed, Public Administration Service, Government of Metropolitan Miami (Chicago, 1954). For a discussion of the program as it presently operates, see "Note, the Urban County: A Study of New Approaches to Local Government in Metropolitan Areas," Harvard Law Review, vol. 73, (January 1960) pp. 526-582.

53/ John G. Grumm, Metropolitan Area Government: The Toronto Experience (Lawrence, Kansas: University of Kansas, Government Research Series No. 19, 1959), p. 30.

IV CONCLUSIONS AND RECOMMENDATIONS

A. Allocation of Governmental Responsibilities

The Commission recognizes the urgency of the urban transportation problem, particularly in the major metropolitan areas of the Nation. It is essential for the continued viability of these areas and of the Nation that careful and objective consideration be given to developing a balanced set of relationships among levels of government and within each level, in which all aspects of circulation--including mass transit, highways, private automobile traffic and traffic safety, and the pattern of land use development--are considered. This requires the full understanding and cooperation of governmental officials, private enterprise, labor and the general public.

This Commission further recognizes that governments will play an increasingly active role in determining and implementing transportation policy for urban areas. This does not preclude a major role by private enterprise; however, the forces which are shaping the urbanized society of the United States necessitate increased decisions and action in the public sector of the economy. Accordingly, there exists a continual necessity for determining tools and techniques by which governments can cooperate--within the federal system--in anticipating problems of urban and metropolitan concern.

Although a continually enlarging role for government in general appears likely with respect to the function of urban mass transportation, considerably differing opinions exist as to which levels of government should bear the major share of this responsibility, especially in regard to financing. It is appropriate at this point to summarize the major arguments and points of view on these issues.

1. A Local Responsibility

Although the proponents are few, there are those who continue to hold that mass transportation in urban areas should be solely a matter for private enterprise and local government. Local governments are manifestly concerned with urban transportation. Without effective circulation, municipal services as well as the daily activities of the population therein would be severely strained. Traditionally, such transportation service, particularly municipal mass transit, has been termed "of local concern." It is argued that while the States have some responsibility stemming from their constitutional duties and from their interest in existing Federal and State programs and policies, the primary benefit of improved urban transportation goes to the residents of the areas concerned and consequently, they should bear the full burden of the costs. Moreover, the various factors of geography, density, land use pattern, public preferences, existing modes of circulation, and political complexity which affect the makeup of the transportation problem in any metropolitan area, make it virtually impossible to deal with the matter from either the State capital or Washington.

Although the belief is not widely held that local government can and should "go it alone" with respect to the provision of mass transportation facilities and services, it is difficult to find responsible opinion, even among the most vigorous advocates of a strong Federal role in this field, which does not concede at the outset that local government must continue to carry a large share of responsibility for this function.

2. A Combined State and Local Responsibility

While the localities must share in this responsibility, the urban transportation problem cannot be met on a piecemeal basis by municipalities and counties acting largely on an independent basis, since transportation within an urban area usually crosses municipal and county boundaries. Local governments have shown only a limited interest in developing regional concepts; the organization of some urban areas through the device of the metropolitan council is commendable, but such an approach cannot be viewed as equal to the task so far as transportation is concerned. The comment of Edward Higbee (relating to the Washington Metropolitan Regional Conference) is apt: "To the political realist this Pollyanna, fraternal-lodge approach must seem pathetic." 54/ Moreover, the fiscal limitations which necessarily exist in dealing with a problem of regional concern on a locality-by-locality basis makes the task of securing essential financing extremely difficult, because a fiscal base is needed which coincides with the service area involved, and, especially as to transportation, this cannot be met under existing systems of multiple and largely independent tax jurisdictions within a single urban area .

In the light of these considerations, most will agree that the State governments have a highly vital and necessary responsibility in coordinating and assisting local units of government in providing mass transportation facilities and services, in addition to performing regulatory functions with respect to rates and services. However, opinion differs markedly on the relative breadth of State responsibilities, aside from regulation, depending on one's position regarding the role of the National Government, some holding to the view that it is hopeless to expect very much of the States and that the major burden must fall on a Federal-local partnership.

3. Role of the Federal Government

It is apparent that the main area of controversy with regard to responsibilities for urban mass transportation involves the question: "What action should the Federal Government take?" Accordingly, the pros and cons to this question should be examined in some detail.

54/ Edward Higbee, The Squeeze, Cities Without Space (New York: Morrow, 1960), p 323

a. The Case for Federal Action

(1) The investment in Federal highways must be protected by assuring that interstate and defense traffic is not impeded by local congestion in and around urban areas.

(2) In a related connection, the availability of Federal highway funds, coupled with the unavailability of mass transportation funds, introduces a "pro-highway" bias into local transportation planning. The Federal highway program could have a major impact on urban development generally; instead the Federal highway program to date has represented a classic example of "lost opportunity." Senator Williams of New Jersey has stated the case on this point:

> I stress planning because as we are coming to realize that transportation, particularly the $40 billion highway program, has a profound and lasting impact on the urban landscape. There are two problems here: the highway may attract and spawn growth in an exceedingly reckless way to the serious detriment of the urban area as a whole, from the standpoint of placing immense burdens on suburban communities to provide all the public facilities, from schools to sewers, that are necessary to service the industries, housing developments and service trades that spring up around the highway interchanges and along the route, to mention just one possible detriment.
>
> On the other hand, take the very best designed of our highways and assume that it is located in an obvious transportation corridor, where the need for such a highway from a traffic standpoint is plain and where the urban area, because the population is increasing, should grow. Suppose then a housing subdivider comes along and starts building a large tract along both sides, with a dozen access roads leading to the highway, all pouring cars onto the highway at 12 different places, where two access roads might have done the job. Or suppose the service trades decide to abandon the central city and build a 'miracle mile' or a 'miracle two-mile' or three-or four-mile row of commercial activity along the highway, each store with its own ingress and egress. Or suppose some developers start building high-rise apartments near the highway and double the demand for its use. What you have is a virtually total loss of the highway as an effective transportation facility. And a huge waste of money in the process. 55/

55/ Congressional Record, Vol. 107 (January 11, 1961), p. 529.

(3) Federal assistance by way of financial aid, technical assistance, research and other programs or policies, is needed to protect the Federal investment or national interests in other fields, such as housing, outdoor recreation, and air pollution abatement, and to facilitate the journey-to-work pattern of Federal employees. Public housing and urban renewal projects very seriously affect transportation facilities; and they have had a major impact on planning future transportation facilities. The emphasis of the Federal Housing Administration on single family housing through its program of mortgage financing has been important in the growth of suburban living. The scatteration process has not been due solely to Federal policy, but there is no doubt that such policy has been a factor.

(4) The Federal Government is directly concerned with long haul freight and passenger movements. Continued deficit operations attributable to commuter traffic seriously affect the ability of the railroads to maintain long-haul service. The Department of Commerce, in a study released last year, noted that the Federal Government:

> . . . has a deep concern in the railroad commutation passenger losses because of their effects upon the health of the railroad system and upon the extent to which the Nation can secure the benefit of the railroads' capability for mass long-distance transport of freight. 56/

(5) The Federal Government has the necessary fiscal resources to sponsor major programs of research; to conduct experiments and to undertake demonstration projects; to support regional urban transportation and land use planning in the metropolitan areas; and to assist in the construction and operation of facilities.

(6) The economic health of the Nation depends on the economic viability of its metropolitan areas. Hence there is a further national interest which would be preserved by increased Federal action. This point was discussed as follows in the report of the Transportation Study Group of the Senate Committee on Interstate and Foreign Commerce:

> The Federal government has a vital interest in the free flow of commerce in all parts of the United States, in the preservation and propagation of national wealth and tax production, in the provision of the best living and working conditions for the majority of its citizens, and in establishing the facilities and conditions necessary for the national security. To the extent that inadequate urban transportation facilities and the decline of public transport increase the total cost of daily economic activities, there is cause for immediate Federal attention. 57/

56/ U.S. Department of Commerce. Federal Transportation Policy and Program (March 1960), p.7.

57/ National Transportation Policy.... op.cit. p. 522.

(7) State and local leadership is lagging and, where it exists, is highly sporadic. The result has been a general lack of concerted action; even where broad programs have been developed, as in Washington, San Francisco Bay and other areas, the built-in political limitations of local leadership have prevented early action. In some communities, a combination of political, economic and personal factors including lack of interest, internal squabbling, sporadic but unsustained attempts at leadership, power fights among various private and governmental interests, and other factors, have contributed to the continuing deterioration of transportation services.

(8) Increased action by the Federal Government does not mean Federal dictation over local interests; appropriate mechanisms to assure local participation and to guarantee effective means of achieving public responsiveness can be built into whatever steps the United States Government sees fit to take. The history of assistance programs in health, hospital, pollution abatement, recreation, housing, and a host of other subjects, clearly demonstrates that this is so.

(9) Finally, there is the Constitutional requirement that compacts and agreements between States must be consented to by the Congress. Thus, apart from any other consideration, the United States is necessarily involved in the transportation problem of the interstate metropolitan areas.

b. The Case Against Federal Intervention

(1) Leadership of the type needed is available both in the State capitals and around the municipal council tables. This is evidenced by the impressive action taken in organizing various regional councils, in promoting regional transportation planning programs (of which the "Penn-Jersey" study is an outstanding example in an interstate situation), and in providing necessary coordination of administration of a variety of transportation programs and policies. Examples have been documented throughout this report.

(2) Most of the governmental revenues needed to improve urban transportation inevitably will come from the residents of the areas to be served thereby. The predominantly rural communities can hardly be expected to contribute. Therefore, the use of Federal tax and appropriation mechanisms as a conduit means additional administrative expense, waste and unnecessary Federal interference.

(3) The problem of urban transportation is highly localized within individual metropolitan areas and other urban places in the United States. It is neither feasible nor equitable to deal with the problem on any generalized basis.

(4) Problems crossing State boundaries can be met by appropriate cooperative action by the States. The record to date of interstate action through compacts and agreements and the widespread use of uniform laws demonstrates that State cooperation is a highly practical means of dealing with problems crossing State lines.

(5) Federal participation and assistance in this State-local problem inevitably will result in increased Federal control. The Congress and the Executive Branch would be delinquent in their responsibilities if grant funds for mass transportation facilities were disbursed without "strings" or safeguards of any kind.

(6) Although eventual Federal action conceivably may be required, it should not be initiated until the States have demonstrated clearly their inability or unwillingness to handle the problem. The record at the present time is mixed, and there has not been a clear showing either way.

* *

The Commission has considered carefully the various points of view which have been advanced regarding the relative responsibilities of the different levels of government in providing, coordinating and financing mass transportation facilities and services in urban areas. In the concluding section of this report the Commission submits for consideration by legislative bodies and executive agencies at National, State and local levels its recommendations for action in resolving these intergovernmental questions. Although early portions of this report have included some reference to activities of State and National governments with respect to rate and service regulation and to certain State and local tax relief measures, the Commission is excluding from its recommendations at this time any specific legislative proposals dealing with regulation or taxation.

B. Recommendations to the States

In its 1956 study for the Governors' Conference, the Council of State Governments stated:

> "Although the roles of local governments and the national government are indispensable, the states are the key to solving the complex difficulties that make up the general metropolitan problem. To achieve adequate results the state governments--the legislative and executive branches and the people--need to exert positive, comprehensive and sustained leadership in solving the problem and keeping it solved." 58/

This admonition is most appropriate with respect to the transportation problems of urban areas. Intrastate transit service and rates are subject to State regulation; highway location, planning and design are controlled by the State Highway Department; and the taxing and borrowing powers of local governments are determined by State constitutional and statutory provisions.

The Commission believes that the States can and should take two general kinds of action with respect to urban transportation problems. First, State action of a permissive sort is needed to enable the residents of the various local units of government making up the metropolitan areas to initiate new governmental devices for coping with mass transportation financing and management. Secondly, the States should move directly and vigorously to assist local units both technically and fiscally in solution of these problems.

1. The Commission recommends the enactment of legislation by the States to authorize local units of government within metropolitan areas to establish, in accordance with statutory requirements, service corporations

58/ The Council of State Governments, The States and the Metropolitan Problem (Chicago, 1956), p. 132.

or authorities for the management of area-wide transportation facilities and services, such entities to have authority to borrow and to impose user charges, but with the initial establishment of any such entity being subject to voter approval on the basis of an area-wide majority. 59/

The Commission has no general brief to offer either for or against direct local government provision of mass transportation. Private ownership and operation of facilities is by far the prevailing arrangement, and presumably will continue to be so. We believe policy on this matter can best be determined by the people of the area involved in the light of their particular transportation conditions and needs. The Commission does believe, however, that where those directly concerned wish to establish a governmental agency to provide public transportation in a particular metropolitan area, action on the matter should not be unduly delayed or hampered. This is in accordance with the general philosophy that the widest possible range of potentially appropriate means should be available for meeting problems which accompany metropolitan development.

The Commission fully appreciates the various arguments which have been advanced against the use of functional authorities. These include the following: (1) It is a piecemeal approach to metropolitan problems. (2) The creation of authorities adds to the number of local units of government within the metropolitan area, of which there are already too many. (3) Authorities, being typically governed by a board of directors of private citizens appointed for staggered terms, are not directly responsive to the will of the people and to a considerable extent are beyond the reach of any one level of government. On the other hand, the Commission recognizes that the "authority" device constitutes one way of handling area-wide functions within the context of overlapping local units of government, and believes that the residents of metropolitan areas should be free to use this device if they see fit.

The Commission suggests a number of safeguards for inclusion in the kind of enabling legislation recommended above. In the first place, it is highly desirable to avoid the eventual establishment of numerous functional authorities; to that end, the enabling legislation should, where otherwise appropriate, permit the new entity to assume other area-wide functions in addition to transportation, if the citizens concerned so desire. Secondly,

59/ Secretary Ribicoff refrained from registering a position regarding this and subsequent recommendations appearing in this report.

Mr. Burton did not concur in this recommendation. He states: "The metropolitan transportation authority is a concept of significant merit, but to permit the creation of one by a majority vote of an enlarged area as a whole does not protect adequately the rights of smaller local units of government who might be subjected against their desires and needs, to the power and costs of such an agency imposed upon them by an area-wide majority."

in order that the transportation authority be politically accountable and responsive, its initial establishment should be subject to approval of the voters of the area. It is further suggested that the board of directors of the authority be selected from among popularly elected officials of units of government making up the metropolitan area (mayors, county commissioners, city councilmen, etc.). Under such an arrangement, poor functional performance of the authority could lead to retribution at the polls for its directors.

2. The Commission recommends that the States take legislative and administrative action to extend technical and financial assistance to their metropolitan areas with regard to the planning of mass transportation facilities and services.

A small number of States, mostly in the Northeast, have already moved aggressively into the local transportation problem. Many others should do so. It is an abdication of the constitutional role of the State if it takes no action on a problem affecting its local communities when at the same time local officials of those areas are pleading with the President and the Congress for Federal financial aid. By becoming a partner with the local governments in the field of urban transportation, the State can play a vital role.

The metropolitan areas in general have within their borders sufficient administrative ability and financial resources to meet their needs; however, due to fragmentation of responsibility among various units and the lack of coincidence between service needs and tax jurisdictions, it is frequently impossible for local government to assemble effectively the technical and financial resources required for meeting the service needs of metropolitan area residents. Since a large share of State general revenue comes from the metropolitan areas and since, in many instances, the State represents the only single force which can be brought to bear upon such areas in their entirety, it is reasonable and necessary that the State governments direct an increased share of their technical and financial resources to the problems of the metropolitan areas. The policies and activities of State highway departments, planning agencies, tax and regulatory authorities, and any special agencies having cognizance over local government and/or urban affairs all need to be marshaled and coordinated for sustained attack on the problems of urban transportation.

C. Recommendations to the National Government

1. The Commission recommends the enactment of legislation giving Congressional consent in advance to compacts among two or more States for the creation of agencies to be responsible for mass transportation planning in those metropolitan areas which cross State lines.

Nearly 40 million people live in interstate metropolitan areas. Special difficulties confront efforts to achieve coordinated handling of public transportation requirements of such areas. No one of the

State governments concerned can, in its own right, deal with the problems involved for the area as a whole. If there is to be effectiveness and continuity of planning with regard to public transportation needs in areas of this kind, the task must be handled on an interstate basis.

The device of a compact between the respective States to establish a joint agency for transportation planning is a way to meet this need on a more durable basis than is likely to be achieved through informal ad hoc cooperative arrangements between the States concerned. Article 1, Section 10 of the Constitution requires Congressional consent for States to enter into an interstate compact. Ordinarily, such consent is sought after particular States have initiated action toward a compact, but it is possible for Congressional consent to be granted in advance to compacts dealing with a specified subject matter. The Congress has used this approach in various fields, including crime control, airport construction and civil defense. Where, as in the case of urban mass transportation, there is an important and definable problem on which effective joint State action needs to be expedited in numerous geographic areas, the device of advance Congressional consent seems highly appropriate.

In recommending that this device be used in the present instance, the Commission contemplates that the Congress might indicate in some detail the nature of the responsibilities for transportation planning that would be handled by the compact agencies. The Commission also suggests that, in the enactment of advance consent legislation, the Congress consider providing for appropriate representation on the compact agency by the Federal Government, since past failures to integrate properly Federal highway and urban renewal planning interests with each other and with those of State and local governments have contributed significantly to the present "urban transportation problem." We do not presume that such a planning agency could or should have power to regulate either interstate or intrastate transportation, although it might properly consider and comment on the effects of existing regulation upon mass transportation within the metropolitan area.

The intent of this recommendation would be served if, instead of taking action specifically with regard to transportation-planning agencies, the Congress were to enact somewhat broader legislation to provide its advance consent to compacts between States setting up agencies charged with planning for interstate metropolitan areas on a comprehensive basis, and dealing not only with mass transportation but also with other issues of area-wide significance. In this connection, legislation proposed by the Administration in the fields of housing and urban renewal contains a provision for advance Congressional consent to compacts directed toward urban planning in general.

2. The Commission recommends enactment of legislation by the Congress: (1) to provide grants to assist State and local governments in developing comprehensive plans for mass transportation in urban areas;

(2) to underwrite special demonstration projects designed to develop and test innovations in mass transportation facilities and service arrangements; and (3) to initiate a program of long-term low interest rate loans to State and local governments for the construction and modernization of mass transportation facilities and equipment in urban areas. 60/ The Commission further recommends, however, that Federal support for special demonstration projects be restricted to projects undertaken at the initiative of the administering Federal agency.

This recommendation of the Commission represents, in effect, substantial endorsement of the objectives and major provisions of S. 345, which is under consideration by the 87th Congress, and which would authorize these several types of Federal financial assistance with respect to urban mass transportation.

Planning

The Commission believes that Federal stimulation and assistance with respect to urban planning in general, as currently authorized by Section 701 of the Housing Act of 1954, is especially justified with respect to transportation planning. First, it is essential that mass transportation planning at the local level be integrated and keep pace with highway planning, which is already federally supported. The mere availability of highway planning funds should not be permitted to result in "highway dominated" transportation plans and policies in the metropolitan areas. Second, the longer State and local governments delay in the development of coordinated transportation plans in the metropolitan areas the greater will become the financial and social difficulties associated with transportation congestion, culminating no doubt in even greater pressure than at present for massive Federal assistance. In other words, since it is our view that Federal planning grants of moderate size will stimulate State and local governments to assume their rightful responsibilities with respect to this function, Federal expenditure for this purpose would be justified in terms of intergovernmental relations alone.

Demonstration Projects

The Commission believes there is an urgent need for the conduct of technological research in the field of mass transportation with a view to developing improved methods and equipment. In addition to the direct expenditure of Federal funds for the conduct of such research within the Federal establishment, the Commission believes that it should also be possible to use research funds in the form of grants made to State or local units of government for this purpose.

60/ Senator Muskie and Congressman Fountain reserved their respective positions on this recommendation. Mr. Burton did not concur with the third part of this recommendation pertaining to Federal loans. He expressed his agreement that transportation problems are grave in several areas but stated that he could not agree that the Federal Government should go so far into this field as to provide the capital for rebuilding local systems.

Under proposed legislation now pending before the Congress, Federal financial assistance would be made available for the conduct of particular pilot demonstration projects which the Government determines would make a significant contribution to "the development of research data and information of general applicability relating to the improvement of mass transportation service and the contribution of such service toward meeting total urban transportation needs at minimum cost." Under the proposed bill, these funds could be used to test the effect of such factors as service frequencies, fare levels, availability of transfer and feeder service, availability and location of parking facilities, speed of service, condition and placement of facilities and equipment, and technological developments affecting public acceptance of mass transportation service.

The underwriting of such demonstration projects, in the opinion of the Commission, should be viewed as part of the responsibility of the National Government to undertake and support research which is urgently in the public interest but which other levels of government and private enterprise are not in a position to carry on. Moreover, such projects should be specifically focused at research and demonstration needs, rather than in any way offering a subsidy to transportation facility construction or operation, or serving as a possible alternative to borrowing for ordinary capital purposes. To assure meeting these conditions, the Commission believes that--contrary to provisions of the measure now pending in the Congress--Federal support of special demonstration projects should be undertaken solely at the initiative of the administering Federal agency.

Facility Loans

The financial difficulties of urban transit systems and rail lines are well known. Many transit systems are finding that borrowing at commercial rates of interest results in debt service charges which cannot be fully recovered, in added passenger revenues and reduced maintenance costs, from the modernization undertaken. In these cases borrowing for plant modernization tends to create or increase financial losses. Congressional sponsors of Federal lending authority for mass transportation have pointed out that private commuter carriers have been unable to utilize to any significant degree the $500,000,000 loan guarantee program that was provided under the Transportation Act of 1958. That Act guarantees commercial lenders against any losses sustained through loans to the railroad industry for capital expenditures and maintenance of property. As of July 1960, loan applications had been filed for approximately $90,000,000. However, only a very small proportion of the requested funds have been for the purpose of directly improving rail commuter service.

To help meet this situation, the urban transportation measure now before the Congress (S.345) would authorize Federal loans to States or local public agencies for their financing of expenditure to acquire, contract, or improve "facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas" and closely related capital outlays. The bill limits the rate of interest

to the rate paid to the Treasury by the administering Federal agency plus one-fourth of one percent. It also specifies a maximum loan period of 50 years, and limits availability of Federal loans to those instances where funds cannot be borrowed otherwise on equally favorable terms.

With such provision of Federal loans for financing of urban mass transportation facilities at approximately the same rate of interest which the Treasury has to pay in obtaining new funds, local governments will have a new source of borrowing for this purpose, at a reasonable rate, and--if the program is kept on a business-like basis--at no net cost to the Nation's taxpayers.