

SUMMARY of Commission Report A-4

INTERGOVERNMENTAL RESPONSIBILITIES
FOR
MASS TRANSPORTATION FACILITIES AND SERVICES
IN
METROPOLITAN AREAS



Advisory Commission on Intergovernmental Relations

Washington, D. C.

First Issued April 1961
Original Report now
Out of Print

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Intergovernmental Responsibilities for Mass Transportation Facilities and Services in Metropolitan Areas

Pursuant to its statutory responsibilities, the Advisory Commission on Intergovernmental Relations from time to time singles out for study and recommendation particular problems, the amelioration of which in the Commission's view would enhance cooperation among the different levels of government and thereby improve the effectiveness of the Federal system of government as established by the Constitution. A study of "Intergovernmental Relations and Responsibilities With Respect to Mass Transportation Facilities and Services in the Metropolitan Areas" was approved as part of the Commission's initial work program. The resulting report was prepared with the assistance of the Institute of Public Administration and was adopted by the Commission on April 28, 1961.

The report discusses several aspects of urban mass transportation in the United States. 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.

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. Two specific recommendations are made to the States, and two are made to the National Government.

FINDINGS

The Urban Transportation Problem

The Urban Transportation Function. The functioning of an urban area depends on the readiness with which it accommodates extensive movement of people from place to place. It is 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.

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" 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.

Urban Transportation Deficiencies. 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).

Second, 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.

Specific manifestations of transportation deficiencies which frustrate many urban communities include slowness of movement, discomfort, inconvenience, undependability and costliness.

Incidence of the Problem. 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.

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.

Although metropolitan areas represent the principal locale of urban mass transportation, there are also 178 municipalities of 25,000 or more inhabitants which 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 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.

Recent Trends. Between 1950 and 1960 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.

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.

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.

Underlying Problems. 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.

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.

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.

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. The private automobile has also cut severely into nonrush-hour use of public carriers, thereby increasing the proportion of total carrier traffic arising from peakload demands.

4. There are extremely difficult problems of accurate costing and equitable charging for urban transportation facilities and services. The automobile user tends to think only of out-of-pocket costs of using his car for any given trip.

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.

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 areawide basis--to determine, for example, the appropriate roles of each of the major transportation media within an entire metropolitan area.

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) areawide 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.

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. 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.

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.

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

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 may be broadly classified as making use of (1) existing governments; (2) special area-related transportation agencies; or (3) metropolitan area government.

CONCLUSIONS AND RECOMMENDATIONS

Allocation of Governmental Responsibilities

The Commission recognizes the urgency of the urban transportation problem, particularly in the major metropolitan areas of the Nation.

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.

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.

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." 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.

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. 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.

Role of the Federal Government. Those who favor Federal action point to (1) the superior Federal resources, (2) the National interest in protecting Federal investments in highway, urban renewal, housing, air pollution abatement, and outdoor recreation programs, (3) the National interest in maintaining existing rail passenger service, offsetting the pro-highway bias in urban transportation which the Federal public roads program has established over the years, (4) the National interest in maintaining the economic health of metropolitan areas, (5) the fact that State and local leadership in solving urban mass transportation problems is lagging, and (6) the Constitutional requirement that compacts and agreements between States must be consented to by the Congress. It is further pointed out that appropriate mechanisms to assure local participation and to guarantee effective means of achieving public responsiveness can be built into whatever steps the Federal Government sees fit to take.

Those who make the case against Federal intervention counter that (1) some localities have shown leadership in solving urban mass transportation problems; (2) State and local initiative should be allowed more time to prove its effectiveness in this field before Federal action is taken; (3) mass transportation is a local problem in each urban area; (4) problems crossing State boundaries can be met by appropriate cooperative action by the States without formal interstate compacts or agreements; and (5) Federal participation will inevitably result in increased Federal control.

Recommendations to the States

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 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 areawide majority. 1/

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 areawide functions in addition to transportation, if the citizens concerned so desire. Second, 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.).

1/ 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."

A draft "act providing for the creation and operation of metropolitan service corporations to provide and coordinate certain specified public services and functions for particular areas" was prepared and included in the Council of State Governments' Program of Suggested State Legislation for 1963.

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. 2/

A small number of States, mostly in the Northeast, have already move 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.

2/ A draft "act to extend State technical and financial assistance to metropolitan areas for planning, development and administration of mass transportation facilities and services" was prepared and included in the Council of State Governments' Program of Suggested State Legislation for 1963.

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. 3/

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 I, 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

3/ Incorporated by Congress in the Housing Act of 1961.

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."

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 areawide significance.

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. 4/ 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. 5/

Planning. The Commission believes that Federal stimulation and assistance with respect to urban planning in general 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,

4/ 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.

5/ Incorporated by Congress in the Housing Act of 1961.

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.

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.

The underwriting of 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.

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. With 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.

PUBLISHED REPORTS OF THE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS 1/

- Coordination of State and Federal Inheritance, Estate and Gift Taxes.
Report A-1. January 1961. 134 p., printed.
- Modification of Federal Grants-in-Aid for Public Health Services.
Report A-2. January 1961. 46 p., offset.
- Investment of Idle Cash Balances by State and Local Governments.
Report A-3. January 1961. 61 p., printed.
- Intergovernmental Responsibilities for Mass Transportation Facilities and Services. Summary of Report A-4. April 1961. 13 p. offset. (Original Report out of print.)
- Governmental Structure, Organization, and Planning in Metropolitan Areas.
Report A-5. July 1961. 83 p., U.S. House of Representatives, Committee on Government Operations, Committee Print, 87th Cong., 1st sess.
- State and Local Taxation of Privately Owned Property Located on Federal Areas: Proposed Amendment to the Buck Act. Report A-6. June 1961. 34 p., offset.
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- *Directory of Federal Statistics for Metropolitan Areas. Report M-18. June 1962. 118 p., printed (\$1.00)

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