mer work or sabbatical leaves. The latter would require possibly UMTA financial support plus cooperation of the transit operating agencies. The coordination of the options could also be the responsibility of the previously mentioned committee.

4. Encourage the personnel employed in transit management to publish case studies on operations that would serve to educate others on the state of the art and disseminate more widely the results of demonstration projects.

LEGISLATION SEMINAR

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Legislation is a government act that gives the force of law to a decision on public policy. It can take several forms, including regulation, setting goals, and distributing public money. Through these authoritative expressions of the public interest, legislation can command or encourage appropriate action to help solve public problems such as those in public transportation. The charge to this seminar was to consider the role of legislation (local, state, and federal) in solving various problems in public transportation. The seminar considered general problems, financial problems, operating standards, and marketing.

The seminar considered legislation to be synonymous with implementation. In the course of legislation, a policy is agreed on, as are the constraints under which it is to be implemented. But uncertainty about the contingencies of implementation consistently requires administrative discretion and professional judgment. The intention here is to provide this judgment to help inform the legislative process itself.

GENERAL PROBLEMS

The broadest possible scope of action for legislation was the focus of the seminar. The more narrow set of actions normally governed by regulatory legislation for public transportation received only brief discussion at the outset. The basic powers of regulatory agencies are not able to overcome the current problems of public transportation. Regulation is restrictive in nature, deriving from the notion that private capital, let loose without regulation, will seek after limitless profit and bloodletting competition. Neither of these excesses, when they existed in the past in the case of transit, served the public interest. Thus, while existing transit regulation may have been justified in the past, conditions have changed. Regulation that limits profits is inherently not suited to promoting profit and the increased quality of service that can be provided by a profitable and healthy industry. Also, regulation that inhibits competition also restricts the ability to adapt to changing conditions and to innovate and try new transit services in new ways. Decreased regulation appears to be one action that legislation could accomplish. The objective of such legislation should be to encourage innovation that promotes ridership and service.

The seminar agreed with the prevailing view at the conference that, since private properties were more and more being combined with their public regulatory bodies in one public transit authority, the problems of overregulation are decreasing. In fact, a second area for legislation is how to regulate the now public self-regulating transit authorities.

Accountability of public transit agencies in their expending of public funds is required, without making the compilation and reporting of performance measures so burdensome

that the efficiency of the operating agencies is impaired. Considerable feeling existed among the operating personnel in the seminar that too many levels of review already existed when transit agencies went beyond their own fare boxes for financial resources. On the other hand, the view was eloquently stated that no chance for review by elected officials at various levels circumvented the democratic process.

In general, the specifics of reporting to grant-making agencies at the state and federal levels are generally within the realm of administrators to decide. That is, reporting requirements are governed by administrative law. However, it was felt that administrators should take care not to overstep their jurisdictions and assume that administrative law governs issues that it does not. For example, federal and state agencies may act as comprehensive planners, as opposed to taking a coordinating role, which may be the extent of their statutory responsibility in certain instances. If care is not taken in these matters, there may be specific and not necessarily good legislation to restrict administrators.

The size of the region at which the transit agency should exist was the subject of much discussion (by transit agency is meant the organization that controls the transit service either by directly operating it or by contracting for specific services or both). The dilemma arises over the need for regional control to ensure comprehensive planning and coordination and the need for control at the local level to ensure accountability and maintenance of minority rights. It was generally agreed that the transit operating agency should cover the same geographic area as the transportation planning agency to promote intermodal planning and coordination. This generally means that transit agencies should exist at the metropolitan or regional level. Unfortunately, this size of region does not normally promote accountability to elected officials because there are very few elected regional officials. Transit operating and investment decisions should be related to local and state governments where elected officials exist. This can be done by separating the funding of deficits for local service and regional service. Decisions on the former can be made by locally elected officials and decisions on the latter by regional officials (if any) or state officials. How this could be done is discussed below.

The extreme case of the conflict in relating regional transit authorities to elected officials occurs in urban regions involving more than one state. Such regions may truthfully be considered very difficult territory for a transit authority. Also, regions should not overlook the rights of a minority of the citizens who use transit in a region. Only through local decision-making can the rights of the transit riders, nationally and locally, be protected.

FINANCIAL PROBLEMS

The matter of how to make up deficits incurred by transit operations received much discussion. On the one hand, there were advocates of raising fares or making fares more proportional to transit services used. The latter could be implemented by using zone fares. These proposals would have the effect of funding some or all of current transit deficits out of the fare box at the point of sale. Others in the group felt that transit was a public service and should be funded publicly to promote public welfare objectives, particularly the welfare of current captive transit riders.

One proposal for public funding of transit deficits was that the local communities make up the entire deficits incurred in providing transit service used by their residents. This proposal was found to be controversial by some and unworkable by others because of the difficulty in tracing the residences of the users of the entire regional transit system and to the lumpiness of local taxing jurisdictions. The proposal is equivalent to a user-covers-cost concept, where the user, if not taxed the full cost at the fare box, is taxed at his residential location. This generally promotes economic efficiency goals (i.e., more optimal allocation of resources in response to local needs). It would also progressively tax more affluent residents who happen to live in the lower density parts of cities where transit incurs its highest deficits by the nature of its fixed-route and

-schedule service. Thus, the concept promotes stated welfare objectives of transit by righting what is now an existing perverse redistribution of income through existing property tax assessment formulas and single-fare systems that assess financially strapped inner cities in proportion to their ridership (and thus fare-box) contribution and not in proportion to their deficit contribution.

An improvement over existing property tax deficit funding methods that is consistent with the concept would be to separate the funding of deficits for local and regional service. For local service (bus and feeder bus) where data on the cost of service provided to and used by riders can be relatively easily compiled, the concept could be easily implemented. The "avoidable cost" of the local bus service (the cost that could be saved by its elimination) would be paid by the community served. Localities could decide the extent to which the transit agency (or a private transit contractor) should provide such service. The state or region would continue to bear the overhead cost of the entire transit system. The avoidable cost concept is one that has been much used in railroad regulation.

Express service, particularly when provided by rail rapid transit, is of more regional significance. It is difficult to trace the use of such systems back to residential trip origins because so much travel is within, to, and through the CBD and is heavily related to economic activity (employment). In addition, regional transit service benefits the region as a whole. Deficits incurred in providing such service could be funded by some regional taxes, if they exist, or by state taxes. The state taxes would be channeled into single transportation funds for the region to use to fund transit deficits, if it chooses to do so, in conjunction with local priorities. Nonurban regions of states would likely choose not to allocate a large share of their transportation funds to public transportation.

Reliance for regional transit subsidies on currently overloaded, highly unpopular local property taxes puts transit in a very difficult political position. Separating regional transit service from local transit service for purposes of funding deficits would provide important relief of overburdened local property taxes and would improve the political position of transit generally. The separation of transit services for purposes of funding deficits would also have the effect of promoting accountability to elected officials as noted above. That is, decisions on local service would be made by local elected officials. Decisions on regional service would remain to be made in the generally imperfect way we now operate, namely, by elected state officials with other than just regional concerns or by regional groups of local officials who are individually accountable only to their local constituents.

The consensus of the seminar was that the problem of "mobility" is appropriately national in scope whereas specific investment criteria and priorities should be determined locally according to the situation. The federal role should be to ensure certain minimum standards for mobility, particularly for certain minorities and the poor who are most dependent on public transportation. Legislation might be written to provide only for this limited federal enforcement of mobility standards.

Provision of federal transportation funds to urban areas would be tied to enforcement of such mobility standards. This has similarities to the way the federal government now administers welfare and employment security programs. A single urban fund for transportation or even general revenue sharing would be required. "If we plan as a whole, we should fund as a whole," was a statement supporting this proposal. Public transportation should not be considered and funded separately. It should be considered as one way of providing urban transportation mobility.

These proposals were new to some members of the seminar. In the course of the discussion, many helpful additions and clarifying remarks were made. However, consensus was certainly not achieved in the short time available. The lack of written proposals as a basis for discussion also hindered the development of consensus. The above are thus offered as proposals that could be enacted by legislation, not as the proposals the seminar felt should receive their support as a whole.

The seminar members did agree that legislatures must set policy for continuing transit service. In the larger cities, at least, the operative work is continuing. Annual

appropriations for service at the state, regional, or local level are likely to be inevitable because of the need for accountability to elected officials. However, the legislature must produce the funds promptly in time to meet payrolls. There have recently been problems with the lack of timeliness of such appropriations.

Legislation clearly plays a role in the funding of public transportation. It is an authoritative expression of the public interest relevant to this particular geographically defined problem. The scope of the problem determines the level of government jurisdiction at which legislation is most appropriate. This theme was evident throughout the general discussion. Priorities should be set and public accountability should be placed at that level where planning and policy evaluation are most appropriate. The specific form the legislation should take awaits the action of legislatures, not our group of technicians, as it should be in the democratic process.

ESTABLISHING OPERATING STANDARDS

The seminar agreed that there was no role for legislation in setting fixed operating standards. Appropriate standards, such as seating or loading standards and vehicle productivity, will vary greatly among areas. Local conditions, including existing capital investment, dictate that no uniform levels of transit service can be prescribed in detail at a national or state level. Because transit involves public ownership and operation of the vehicle as contrasted with provision of relatively static facilities for highways, the degrees of freedom by which transit service can vary are far greater than for highways. All this indicates a need for local control by local staff who understand the link between the service impacts of fixed service standards and the costs of providing such standards in a local area. However, incentives for providing good transit service should be included in state and federal funding legislation. Also, the legislature does have a role in setting other performance standards such as minimum safety and pollution standards.

With respect to other actions of producing or supplying transit service, the role of legislation seems to be limited and indirect, concerned for the most part with controlling funding; that is, dollars can be appropriated for development or purchase of more efficient transit vehicles. Labor, capital, and land costs can be affected by tax and labor legislation. Also, the legislature should not pass laws allowing special groups to ride transit free or at reduced cost, for this affects the cost of providing transit service. If such laws are passed in the name, for example, of welfare legislation, then transit agencies should be reimbursed for the additional costs involved, the fare-box revenue lost, and the costs of administering the service. This includes transportation for the poor, handicapped, school children, and aged.

The seminar members agreed that there was indeed a direct federal role of involvement in research, development, and demonstration of new public transportation services and technology. Such a role can involve funding local agencies or direct federal agency involvement. Federal legislation should take the lead in setting objectives and priorities.

MARKETING PUBLIC TRANSPORTATION

The seminar first discussed the assigned topic of marketing transit. Again, the seminar felt the role of legislation was limited. Legislation should allow money to be spent on promotion, but not require it. Its benefits are uncertain! However, legislation can be very important in other ways of influencing use of transit.

First, it can reduce directly the cost of transit use by allowing certain groups (e.g., welfare recipients) to be given monthly passes or some other form of publicly sponsored prepaid use of transit.

Second, legislation can affect the use of transit by improving the quality of the service provided, mostly, however, only by giving money for such purposes as described in the previous section.

Third, transit usage is also directly affected by the service available by automobile. Legislation, particularly local ordinances, can directly affect highway service through imposition of parking taxes and restrictions (e.g., automobile-free zones and limited entry into certain areas). Such restrictions are now actively being considered for several large cities. However, the seminar did not recommend that such restrictions be imposed. We only note the clear cross elasticity of transit demand with respect to such restrictive highway actions.

Fourth, transit usage is affected by changes in residence and work-place locations, and these are in turn affected by land use controls. Zoning legislation at all levels of government can encourage transit use by at least encouraging high-density development along transit lines. Local ordinances can also give incentives to increase development near transit lines by dropping parking space requirements per square foot of floor space (i.e., per employee or resident) for development within so many feet of a bus line or transit station. Ultimately, CBDs well served by transit should have no local ordinances requiring parking spaces to be provided. This would encourage transit use and discourage highway congestion at bottlenecks leading in and out of the CBDs.

CLOSING REMARKS

The seminar recognized that there are many ways legislation can help solve the problems of the transit industry. Legislation potentially governs a wide set of actions indeed. Its actions are limited mainly by the detail with which legislators choose to involve themselves in certain decisions. Policy guidance is desired from legislators, not decisions on specific types of investments and operations at specific locations. However, the need for policy guidance by legislatures is critical both to alleviate current problems in the transit industry and to impose certain structural changes in organization and funding that will anticipate future problems and promote public welfare objectives. Only legislation can make such changes.