

## TRANSIT ANALYSIS

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THIS conference is about control—the definition and exercise of management control.

This conference is also about institutions—institutions that have no inherent goals, no inherent set of values, no focused set of objectives.

This conference is about the control of institutions.

Control implies exercising power to channel efforts toward a goal. Whereas business requires goals in order to succeed, government requires none. Public institutions that respond to budgets and laws usually sustain themselves in a flurry of activity that masks an underlying lack of goals.

Consequently, we spend a lot of time working diligently on our tasks with a minimal understanding of our mission. We are frustrated. We want a sense of mission. We want to define goals that will be acceptable within the institutional frameworks that dominate our society. We want our transit programs to be as clearly defined as the highway program once was.

However, institutions do not breed the kind of goals that the American people fight for. In California, we do not even hear from the people who need transit the most. Our efforts to define goals are frustrating. Whatever goals we define will read fluently and well, but they will not generate broad-based support.

Even so, the absence of clear goals will not deter the experts from proceeding with the development of more controls.

This conference should help us develop a more sophisticated array of techniques for evaluating our transit needs and services—techniques that will find their way into the political decision-making process and help us make more rational decisions.

Influencing the decision-making process turns out to be a very interesting game.

I am reminded of the transit expert from California who made his first trip to Washington to testify on the 1973 Federal Highway Act. When he returned to Sacramento, we all went down to have lunch at a little restaurant on the Sacramento River. One member of our group asked our expert how the Washington trip had gone. He paused for a long time. When he had finally gathered his wits, the expert said, "Well, you see that log floating down the river with all of the ants running all over it?" The log was quite near the bank, so we were actually able to see the ants on the log and we confirmed his observation. "Well," he said, "every ant on that log thinks that he is in control of the destiny of the ship. Things are just like that in Washington."

From my point of view, things are like that in Sacramento, too. We all think that we have a significant influence on a number of monumental problems. But too often we do not.

### CALIFORNIA'S GOLDEN OPPORTUNITIES FOR EVALUATION

Just for the record, I would like to catalogue a few of the items I see as California problems. California's problems can help define the task of this conference. They can also help debunk a lot of technical rhetoric.

The Bay Area Rapid Transit District faces a deficit of over \$100 million in the next 5 years, and my slide rule says that the deficit may be a lot higher. BART has recently begun living under the terms of a new labor contract that will serve as a benchmark for all other labor negotiations in the transit industry. BART is still plagued by technical nightmares that will mar its performance for at least another 2 years. BART needs more money. What should we evaluate? Where should we start?

The Golden Gate Bridge Highway and Transit District controls the revenues from its own bridge. The District is facing a court challenge for having raised bridge tolls to subsidize transit service. It operates a beautiful fleet of "Cadillac-trade" buses and runs a ferry service that will ultimately be a beauty (in spite of losing tons of money). Should we intervene in the Golden Gate spending program when other transit operations in the Bay Area are facing monumental fiscal problems? What tools do we use to evaluate this autonomous District?

The San Francisco Municipal Railway is one of the most neglected properties in the country. Yet San Franciscans pour more than \$80 per year per capita into transit subsidies. What should we do about the situation in San Francisco?

The people of San Mateo County, just south of San Francisco, are thinking about organizing a transit district, upgrading the Southern Pacific commuter train, and completely ignoring proposals to extend BART into San Mateo County. What should we tell the residents of San Mateo County?

In Santa Clara County, the Public Works Director is acquiring vehicles for the county's new transit operation, which is centered around radio-controlled, medium-sized buses. The Public Works Director opposes all interference in his operation by the state and the statutorily created regional metropolitan transportation commission. In fact, the Public Works Director has been a leading advocate for excluding regional planning agencies from roles in approving transit funding. What should we be doing in terms of assessing the new transit system and in terms of this strong attack on our role?

In Sacramento, our flat, region-wide 25-cent "love-a-fare" has greatly increased patronage and flirtations. But so has the addition of new routes and buses. How can we determine how large a subsidy to provide a district when there is no basis for determining what share of the burden could be handled through the fare box and the local tax base?

In San Diego County, we have a regional master plan shaping up around the concept of four alternative futures—all geared to differing transportation strategies. How can we compare a radial-corridors plan to a multiple-centers plan?

In Orange County, public officials have identified key corridors for bus and dual-mode travel. They already have one of the most interesting mixes of public and private dial-a-ride services around. How do we evaluate their current program and funding needs in relationship to their emerging long-term grand strategies?

Finally, in Los Angeles County, the Southern California Rapid Transit District is moving ahead with plans to ask the voters to endorse the District's scheme for a \$7 billion transit system that will take all of the federal money that California might be entitled to over the next 20 years. How do you evaluate projects of that magnitude? Surely the issues involve more than technological and economic feasibility.

## ROLES

After we have catalogued all of these wants, needs, and issues, we come to the fundamental question of roles. Who is to be responsible for what?

After a lot of politicking, I have come to believe that most transit decisions need to be made locally. I also think that most transit financing should be generated locally. If local decisions should be dominant, then the roles left to the state and federal governments run from complete non-involvement through system audit and evaluation. However, most state and federal officials are not as sure as I am that transit decisions belong at the local level. Therefore, I am sure that the debates about minimum service levels, functional classification, and standard-setting in general will generate a lot of work for state and federal officials over the next few years. But it is too early to guess that those efforts will help improve transit service.

Transit decisions need to be made at the neighborhood level, and the evaluation criteria must be designed to be sensitive to neighborhood characteristics. State and federal agencies should commit their major efforts to facilitating informed decision-making at the neighborhood level. That is where the customers are and that is where

the service has to be sold.

In California, we are spending a great deal of energy battling over the various roles of the transit districts, city councils, county boards of supervisors, regional planning agencies, and state officials. The battle is unproductive and divisive. It has delayed the distribution of funds in many counties for far too long. It clearly demonstrates that those in power are more concerned with the definition of power than in the facilitation of action.

This point, however, is not really so simple. The current disruptions are being caused because those who control the purse strings do not want to share them with young upstarts. Actually, California's most powerful local transportation officials may be the county road commissioners, who are reported to have very flexible programs and lots of dollars. The customers line up at the commissioner's door for handouts. What we are trying to do now is alter control over the handouts. It is understandable that the commissioners would object to this invasion of their territory.

### GOALS: COMMUTER VERSUS TRANSIT-DEPENDENT

If we are having difficulty defining our roles, you can rest assured that we are also having difficulty defining operational transportation goals. We did a fascinating thing when we created California's Department of Transportation. The legislature specified that the Department, in cooperation with all regional planning agencies, was to define California's transportation goals.

Our efforts to define goals are generating a lot of fine statements that would read well in Fourth of July commemorative resolutions, but the rhetoric far exceeds our wildest hopes for commitment.

A lot of our goal rhetoric is aimed at the transit-dependent. When I sit down with transit experts, we have long, soul-searching discussions on the legitimate needs of the transit-dependent. We discuss the role of transit as social facilitator, as a sort of modern Sisyphus. But, like Sisyphus, every time we just about push the rock to the top of the hill, it gets away from us and the transit-dependent are left sitting on their doorsteps. This happens because there are no genuine organizations advocating the improvement of mobility for the transit-dependent. It is as if, in the minds of the elected officials, there are no transit-dependent constituencies.

In every meeting that I have ever attended where elected officials constituted the majority of the participants, the discussion has never focused on the needs of the transit-dependent. This oversight has not been deliberate. If I may venture a hypothesis, I would suggest that the mobility problems of the transit-dependent are so complex that an elected official simply cannot conceptualize how to deal with the issue in terms of the financial resources available. Until the transit-dependent organize in an advocacy posture, their needs will get lots of rhetoric but little action.

It is the commuter, in fact, who dominates the transit picture. His or her travel habits make it possible to concentrate all of our transit resources on commuter needs and still never saturate the market. The commuters are writing our goal statements through their patronage of our systems. But I do not believe that is a sufficient criterion for defining our goals.

What then are our transit goals, and how can we judge the relative importance of commuter versus transit-dependent services?

We need different sets of evaluation techniques for our analyses of commuter services and transit-dependent services. Because direct labor productivity is so much higher in commuter service than in transit-dependent service, I think it is important not to judge both services by the same set of evaluation criteria.

I still recall my conversations in Toronto with the fine professional staff of the Toronto Transit Commission. The Toronto professionals were visibly disturbed by how the politicians were disrupting their beautiful commuter system by making them provide costly mobility services that had reddened the balance sheets. By one set of criteria, the professionals were right. By another set of criteria, the politicians were right.

One last point on the issue of the transit-dependent. A lot of systems in California have initiated new, long, costly, and relatively unproductive commuter routes. The long-range potential market probably justifies some of those moves, but I would like us to develop evaluation techniques that will tell us how much transit-dependent service we could have purchased with those same loss-leader dollars. In other words, if we are going to subsidize the affluent suburbanite, we at least ought to be able to tell how much service those same subsidies could have purchased for the transit-dependent.

### GOALS: MONUMENTS VERSUS SERVICE

Similarly, we need tools for assessing facility-versus-service alternatives. If the state and federal governments plan to carve out a significant role for themselves in transit, they almost have to advocate facility-dominated transit systems. I say this because I believe that large public works projects are the only situations in which you can really exercise control from remote power centers. I realize that Secretary Brinegar's statements appear to run counter to my philosophy, but I think his budget will ultimately vindicate my view. This budgeted facility bias worries me. As a fiscal conservative, I want to know how much service I can buy for my dollar. If the analysis shows that a facility-dominated system is advisable, fine; if not, then I do not want to be saddled with building a costly public works monument. The evaluation criteria must be suitable for clarifying issues of facilities versus service.

### LOCAL OPTION

At the present time, our major tool for evaluating facility-dominated proposals is the voter. Each voter will decide if Los Angeles, or San Diego, or Orange County needs to pay out the dollars to build a fantastic technological marvel. Unfortunately, however, the voter has to contend with a federal grant program that distorts the fiscal analysis by discounting the true cost of the system.

The only saving grace in the proposed Unified Transportation Assistance Program was the fact that it offered opportunities for local communities to decide how they want to spend their transportation dollars. Why did it take so long to discover the word "option"?

### LABOR COST

The issue of local option relates closely to another major factor that is going to be lurking behind every evaluation effort that comes out of this conference: labor costs.

Labor is the dominant variable cost in transit. Yet public agencies are totally incapable of negotiating productivity-oriented labor settlements. Labor costs will be the eternal Achilles heel of public transit. BART was supposed to be highly automated, but its recent labor settlement demonstrates that BART is now the industry's pacesetter in escalating labor costs.

The Unified Transportation Assistance Act proposal was sound in its emphasis on allowing individual regions to decide whether they wish to use federal dollars to underwrite the labor costs of transit. But as a Californian who expects to get back less than 50 percent of my federal fuel tax dollars this year, I am deeply concerned about the long-term drain on my state's resources that the UMTA program will foster. In all probability, California will be paying for the labor cost of running the Boston and New York transit systems until the end of time.

Labor's dominant role in transit costs makes me think that there are many situations where the private sector may be more effective at keeping a lid on total operating costs. The evaluation criteria must be sensitive enough to identify situations where the private sector should be able to provide service as effectively as government. It may be that government should put most transit operations in the hands of private operators who

could be motivated to negotiate business-like labor agreements.

This point leads to another problem. Because labor costs are the dominant variable in the transit budget, the operator's natural instinct is to eliminate those services that have unusually low use or productivity quotients. Therefore, the evaluation criteria should be designed to alert us to cutbacks that will have a severe impact on the ability of the transit-dependent to get around in the community.

Before leaving this point, I want to express a real aversion to fixed-formula funding programs that ignore the service and productivity factors in a system. The evaluation criteria should identify an array of techniques for weighing commuter-service productivity and mobility-service productivity for the purpose of generating subsidy formulas. Subsidies should reflect the ability of a transit system to serve its community; this implies a lot more than route-miles and population ratios.

### INNOVATION

Innovation is the most vital component in all long-range strategies to expand transit's effectiveness. Our evaluation criteria must be designed so that they will not hamper legitimate efforts at innovation. I am thinking in terms of service innovations rather than technological innovations, but in both cases the evaluation criteria must be sensitive to the potential benefits that can accrue from innovative strategies.

### SUMMARY

I have tried to touch on several difficult topics in a short time. One point should stand out above all others. It is clear that evaluation criteria will not work in the abstract; they must be tied to specific program objectives.

In California, we have a number of problems where good evaluation criteria could be of value. We need help in defining roles. We need help in judging the adequacies of existing and proposed programs. We need help in resolving the debates between facility and service strategies and between the commuter and the transit-dependent. We need help in analyzing the impact of labor costs and the role of the private sector.

We need evaluation criteria that will foster good local decisions. And finally, we need evaluation criteria that will allow people at the neighborhood level to control the institutions providing transit service. If transit fails to serve people, it serves no purpose at all.