

Minette Trosch has indicated. Knowing that we must have both the public and private sectors working together, CUDC was the logical organization to take the lead in forming the uptown transportation program.

We know that we must have the commitment to the major corporations in the community, the big employers, and preferably a commitment actually from the chief executive officer. We realize that there was no immediate crisis, and we know that it would be very difficult to rev up the community, particularly the business community, and keep the momentum going. The Charlotte Uptown Development Corporation, the Greater Charlotte Chamber of Commerce, and the Central Charlotte Association with assistance from the city of Charlotte and state of North Carolina sponsored a transportation symposium called a "Communication on Getting You to Work Tomorrow." Ken Orski was invited to be our keynote speaker for that occasion. Limiting our attendance, we sent our special invitations to key corporate individuals; and we received exactly what we wanted, 150 good participants. National experts along with Ken spoke at our general session. The general session was followed by excellent workshop discussions. The symposium ended up with a tremendous amount of interest, excitement, enthusiasm, and cooperation on the part of all participants.

Very shortly after that, we went back to the 150 conferees and asked them to select from five different transportation areas one which they would prefer to serve on. Those five areas were staggered hours/flex time, car/van pooling, parking management, transit system and other options, such as streetcars, taxis, rail and the like. I, personally, handpicked the chairmen who are the key people in community. We picked good vice chairmen and then we set up the committees.

With the chairmen, vice chairmen, and Ken Orski assisting, we had an organizational meeting. We gave the committee chairmen a charge to develop an action plan, but did not tell them how to do it. The 150 participants were assigned to the committees of their choice. Each group was well represented by both the public and private sectors. All committees are now up and running. They are currently developing their mission, objectives, and program of work. In fact, they have already made one report. They will make periodic presentations to our Steering Committee which consists of many of the top chief executive officers in the community. Any ideas that are developed along the way will be set into motion, either across the board or as a pilot operation through a large corporate employer.

Our uptown community is looking ahead and planning for the future. The employers want their employees to be able to get to and from uptown in an easy, efficient way. They, also, want shoppers, tourists, and visitors of all kinds to be able to reach our hotels, Spirit Square Theatre, Discovery Plan Science Museum, and the library. We have a big investment uptown in both property and human beings -- people that make the whole thing go. We have a long way to go, but we have a good start toward meeting our future transportation needs. We have a positive political environment about uptown Charlotte; we have enthusiasm; we have a great communication between public and private sectors; we have involvement with the right people; and we have a commitment by all. I think our results will be very exciting.

HOUSTON

Robert Eury, Executive Director,
Central Houston

In Texas, everybody brags a great deal, and I have always figured that the Dallasites usually claim bragging rights for most things, but I guess we in Houston can claim bragging rights for a phenomenal growth over the last ten years, and probably even though we would like to regret that we have to, we, also, claim bragging rights over congestion. By 1981, our congestion, our peak hour traffic periods were some 7-1/2 hours a day. Why was this the case? The community really could not build the supply side anywhere near as fast as demand increased, and I really challenge any city that was going as fast as Houston to really face up to that situation. As it turns out by 1981, Houston ranked nineteenth out of the twenty most populous areas for the miles of freeway per square mile of urbanized area. There were three immediate responses as the situation began to occur which started in the late seventies and moved into the early eighties. The first response was in the real estate market. There were a number of major corporate relocations. Firms decided, and they heard very clearly from their employees, it is important to get to work in a timely manner, and many firms decided to relocate themselves within the region more proximately to their employees. In fact, one consultant in the local market recorded some 116 relocations in the period 1979 to 1983, and that involved over 13 million square feet of office space. Incidentally, quite a few of those relocations were not from downtown but from other places in the region.

Secondly, several corporations that did not relocate decided it was time to get into the transportation provision process, and very quickly stepped in with a van pool program. Houston very proudly claims bragging rights over the largest van pool fleet in the United States. In 1978, we had some 14 corporations sponsoring about 210 vans. By 1983, this grew to a level of 85 corporate programs with over 1800 vans.

During that same period, with Metro helping to coordinate the process, we formed car pools which now enable 300,000 Houstonians to carpool. Today, over fifty corporations are involved in providing and subsidizing transit passes. All of these are very incremental responses, but they formed a very dramatic response to the congestion situation in Houston on the demand side.

We were aware, while all this was going on, that the roads were still very full, which means that there has to be a response on the supply side. It took a little while for the city to respond, but in 1981 the Houston Chamber of Commerce took the lead in the development of the Houston Regional Mobility Plan which went to the public in the early part of 1982. Most significantly it gave a very clear definition of what the problem was, how serious it was, what it was costing us, what it takes to get the problem solved or at least alleviated -- back to a level of recent past, more importantly what it costs, and maybe even more important than that, what it costs beyond the resources we currently have available.

Under that plan we have seen some action and progress. The Harris County Toll Road Authority has been set up for which last fall the voters approved some 900 million dollar bond issue for user funding -- a toll road authority to do certain freeways and highways within the Houston region. The city of Houston faces this summer the largest general obligation bond issue for all improvements.

Streets will be probably by far the largest package in the issue. The State Department of Highways and Public Transportation is severely deficient in its funding of needed road improvements. The mobility plan will help bring together the coalition of support that will be necessary to help pass an increase in the gas tax. Texas failed in 1983 to pass an increase when some 35 other states did, and now we are at 5 cents a gallon tax.

You may be very aware of the Metro referendum which was not supported by the voters in June 1983. What you are probably not aware of it that Houston is building over 41 miles of busways on three major corridors leading into the downtown. It already has made a dramatic improvement in transit service. In fact, the system now runs 94 percent on time. This fact is beginning to give Houston's residents pride in their system.

Parallel to these advances under the mobility plan which brought together the public agencies, there has been a tremendous increase in the interest in local development area organizations, and Central Houston is one of those. Directed by the major business leaders of each area, most of these organizations have set the goal of mobility improvement at the top. Where these organizations become very important is in the planning, coordination, grassroots level understanding on the private business side of what the needs are, and helping to mobilize local areas to move the projects forward. As you look at the future, I think you will be able to see these organizations working in concert with the public agencies, with the regional mobility plan in terms of bringing about very rapid planning for the improvements which have been identified as needed. There is substantial need on the local basis in the private sector for policy coordination. I can give you key examples. I mentioned the van pool programs. I mentioned the sponsored bus passes. Also, in a recent survey we took, we found that 82 cents on a dollar paid for downtown parking is paid for by corporate employers. So, you clearly have a contradiction in the subsidies which corporations are providing, but I think as we begin to evolve under the mobility plan a stronger picture of the types of transportation which will serve various centers, we will then be able to help guide and direct local corporate policy where there in the past has not been any entity to do that.

In sum, I think Houston has grasped its problem. We have a long way to go in solving it, but I think what is most important at this point is that everybody is deeply committed to it, understands the seriousness of it in terms of future economic vitality as well as the quality of life of the city, and I think that progress is going to be brought about.

Remarks of John B. Turner, Chairman,
Houston Regional Mobility Committee

During the early seventies and eighties, Houston experienced economic and population growth unprecedented in its history and probably unprecedented for almost any other city in the United States, and this was because of the shift towards the Sun Belt of quite a bit of our business and industrial activity. In the early part of the seventies we enjoyed excellent mobility because of a very well planned and implemented freeway system, but by 1981, this freeway system, as well as the other transportation facilities, were burdened by traffic levels up to 100 percent above design capacity, and congestion was continuing to build every year no matter what we

tried to do to resolve it. That is not to say that we sat idly by and watched congestion build. We did very much like Hartford and Charlotte told you that they were doing. We worked hard, for example, to get staggered and flexible work hours adopted by some companies. We increased the number of people in each vehicle, through the use of buses and van pools and car pools, and as Bob just told you, we became the van pooling capital of the United States with over 2200 van pools operating each day in our city, and we made better use of traffic management techniques, such as one-way streets, turn lanes, sequential traffic lights, and a very successful contraflow lane on one of our freeways, which was set aside for the exclusive use of buses and van pools. These efforts have been helpful, but in most cases they have been taken to their limit and the traffic problems continue to grow.

The increasing congestion could not be blamed on any one factor or any one transportation agency. It was a result of a combination of circumstances, and one of the prime contributors was the inability of the State Highway Department construction program to keep up with demand. For instance, during the 1970s registered vehicles using these facilities increased by 71 percent. During that same period only 22 percent was added to the lane miles of freeways or major highways. Additionally, construction and maintenance of the arterial system, which was the responsibility of the city and the county, failed to match the growth rate. In an effort to keep up with the exploding growth, more and more of the responsibility for arterials was shifted to the private sector, to the private developer. Developers built portions of needed arterials through the commercial and residential areas that they developed. However, this resulted in inadequate widths and discontinuous thoroughfares, and unfortunately correction of these two conditions by the city or the county usually came about well after congestion was unbearable. Consequently, our arterial system became, and is characterized today, by miles of narrow, overburdened facilities with many links of the overall chain still missing.

Further complicating the dilemma was the fact that Houston has never been a public transit city. The Metropolitan Transit Authority was authorized by referendum in 1978 for the Greater Houston Metropolitan Area, and a one cent sales tax to finance the expanded public transit system was authorized.

Until 1982, our MTA suffered severely from immaturity. It is awfully easy to create something, but it is very difficult to implement the process that you have authorized, and we suffered through those immature days, but I am now proud to say that thanks to Alan Kiepper and a very excellent staff we are now under good management. We are adequately funded, and we have made major improvements to our bus service to where it is probably the best operating service in the United States, both fiscally and with regard to operations. Furthermore, MTA promises to fulfill its role as an important solution to a part of our mobility problem in Houston.

Compounding the congestion problem was the fact that local and state tax rates, of which we had always been so proud and protective, were totally insufficient to provide the funding necessary to keep pace with Houston's growth. So, while all of these factors have contributed to Houston's traffic problems without doubt, one of the most important missing links was the absence of a coordinated planning and implementing process between the five agencies responsible for providing public

transportation facilities in Houston, and without this no real assessment of the physical and financial needs could be made, and no real organized plan for an overall solution could be adopted.

Realizing the immediate and critical need to do something to turn around our declining traffic mobility, the Chamber of Commerce in 1981 decided to promote the development of a comprehensive regional mobility plan, and our role as a Chamber was two-fold. First it was to get the people who could do the job working together instead of separately to set overall goals and quantify the funding needs, and second, to encourage elected officials to adequately fund and build the improvements needed to accomplish the plan's goals.

The Chamber approached each of the agencies responsible for funding and building transportation facilities, including the city of Houston, Harris County, the Texas Department of Highways and Public Transportation, the Texas Turnpike Authority, a toll road authority, and the Metropolitan Transit Authority. Each of these agencies then assigned a high level transportation professional to the task force, and the Chamber acted in the coordinating role in the effort to come up with a plan. Now, the task force was asked to develop the most efficient plan possible to solve our problem, and I think this is an important point, without regard to what it was going to cost for it established the framework for current and future transportation decision making in the Houston Metropolitan Area.

SUMMARY OF SESSION ON OVERCOMING
BARRIERS TO COMPETITION
Joseph R. Stowers, System Design
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Several interrelated trends and problems are occurring which lead to the conclusion that private sector competition in the provision of service can offer substantial benefits. Conventional public transit service is increasingly recognized as offering a poor match with growing travel market needs in the suburbs and low density areas. Peak/off-peak ratios are very high for commuter services, and thus very costly for public transit agencies. The cost of purchasing and maintaining spares and other capital facilities has increased under the incentive of the Urban Mass Transportation Administration capital grant program. In some instances the number of spares has gone from the old industry standard of ten percent of peak period vehicles to as much as 35 percent. Given these conditions, coupled with shrinking federal support for unified areawide public transit systems and growing local demand for special services, many suburban communities have been withdrawing, or at least threatening withdrawal from metropolitan transit authorities.

Public costs of providing much of existing and future transit services can be substantially reduced by competitive contracting under proper controls by transit authorities. Studies of comparative costs indicate that a 35 to 50 percent cost advantage is achievable by contracting with the private sector. Another measure of the potential savings is that an estimated one billion dollars could be saved over a five year period if a ten percent spare factor which is commonly used in the private sector, could be achieved nationally. Several specific examples of cost savings and other benefits of private sector contracting were cited:

- * The consolidation of a publicly operated route and a privately contracted route into a single privately contracted route in the San Diego area led to a direct cost savings of about \$200,000 per year, and was a major factor in substantially reduced labor costs for the public operator over the next couple of years.
- * In Chicago, a private operator was able to provide elderly and handicapped services at an average cost of nine dollars per passenger trip compared with 25 dollars for the Chicago Transit Authority.
- * If Chicago area taxis were allowed to operate as jitneys and could contract for late night and weekend transit service, their average occupancy rate could be increased from 1.4 passengers per trip to an estimated 3.0 passengers per trip and their non-fare-paying mileage could be reduced from about 50 percent to about 30 percent, thus serving about 40 percent of the total Chicago area transit passengers at greatly reduced costs.
- * Most of the estimated 10,000 buses in the Chicago area are sitting idle for substantial parts of the day because they are only being used for school bus service. Much cheaper transportation could be achieved if these could be used in regular transit service when not otherwise needed.

Numerous barriers will have to be overcome, however, to realize the full potential of the private sector. One major barrier is psychological -- the attitudes of public transit agency managers. Many of them fight any efforts to foster private transit services. Some simply do not want anyone else to operate buses. Some may accept private paratransit operators, but will oppose private operation of anything larger than vans. There may be fear that private operators will try to take over the major public transit systems again -- an unrealistic fear because this will not happen -- private operators' role will always be limited to a small portion of the market that is profitable or to providing service on a contractual basis. Part of this problem is also the lack of innovative management in the transit field as a whole.

Transit agency managers often oppose the use of funds for contracting because they feel they need all available resources for their own operations. Transit managers may often view private contracting as being in conflict with their responsibility for managing transit operations. They want to protect existing jobs. The strength of labor in preventing use of funds for private contracting is a dominant factor in most large urban areas of the Midwest and Northeast.

Federal funding is a barrier to private sector involvement because of the bias toward capital programs, which encourages large publicly owned bus fleets, and because the labor protection provisions of Section 13(c) require local labor agreements in most cases. Federal funding is available only for the public sector directly, and no funding is specifically available for private contracting.

Most urban areas have numerous restrictions and requirements for safety and insurance for private operators, although this varies greatly across the country. Typically, these regulations take a pigeon-hole approach, with strict boundaries on each form of service so that certain types of