

ROLE OF PUBLIC TRANSPORTATION IN THE NATION'S ENERGY PROBLEMS

HEARING
BEFORE THE
SUBCOMMITTEE ON
HOUSING AND URBAN AFFAIRS
OF THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
NINETY-SIXTH CONGRESS
FIRST SESSION
ON
PLANS FOR INCREASING FEDERAL ASSISTANCE FOR PUBLIC
TRANSIT AS A PART OF THE PRESIDENT'S ENERGY
PROGRAM

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ROLE OF PUBLIC TRANSPORTATION IN THE NATION'S ENERGY PROBLEM

WEDNESDAY, JULY 18, 1979

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS,
Washington, D.C.

The subcommittee met at 1:50 p.m. in room 5302 of the Dirksen Senate Office Building, Senator Harrison A. Williams, Jr., chairman of the subcommittee, presiding.

Present: Senators Williams and Tsongas.

OPENING STATEMENT OF SENATOR WILLIAMS

Senator WILLIAMS. We will have other members coming in, but I believe it would be wise, because we are having another rollcall, to get underway, Mr. Secretary.

Today the Subcommittee on Housing and Urban Affairs is pleased to welcome the Secretary of Transportation to discuss the role of public transportation in solving our energy problems. Last Sunday night the President announced to the Nation a comprehensive plan to reduce our dependence on imported oil and intensify the development of alternative energy sources. Key to controlling consumption and encouraging conservation is the President's recognition of the role of public transportation. Under his plan, an additional \$10 billion will be invested over the next 10 years in transit systems.

Speaking as the chairman of the subcommittee with jurisdiction over this program and as the sponsor of every major piece of public transit legislation passed by Congress, I am particularly pleased to hear that this administration is now beginning to understand the importance of the Federal public transportation program.

Coincidentally, this year of energy crisis also marks the 15th anniversary of the passage of the landmark Urban Mass Transportation Act of 1964, which created the first major Federal program of assistance to mass transit.

When I sponsored this legislation in the early 1960's, few Members of Congress—in fact, few people anywhere—were thinking seriously about limitations on our energy resources. We were, after all, in the midst of the great automobile binge. Our massive highway construction program was in full swing and suburban development—almost totally dependent on the automobile—was burgeoning. The country had become addicted to the automobile.

I had a nagging concern, however, that total reliance on the automobile would leave us with a dangerously unbalanced transportation system. Our once-great network of urban transit systems

was in a state of decline and deterioration. In many cities, public transit had disappeared completely, or was in a state of severe financial and mechanical disrepair. New initiatives were neither encouraged nor fostered.

Passage of the Urban Mass Transportation Act marked the first significant step taken by the Federal Government to stem the decline in public transportation. Congress action was timely, to say the least. By the early 1970's, Federal assistance, coupled with growing awareness of our energy, environmental and urban problems, succeeded in turning around the decline in transit ridership. Since 1973 ridership has increased every year—including continuous and significant increases every month for the past 24 months.

The congressional commitment to the transit program has grown stronger over the years. After a long and difficult fight, Congress enacted the operating assistance program in 1974—in the midst of our first full-blown energy shortage. Our energy problems have not abated, nor has our enthusiasm for the public transportation program diminished.

This commitment has continued. In fact, last year, the Congress reached a new milestone in Federal assistance to public transportation by approving the Surface Transportation Assistance Act, a \$15 billion authorization bill.

Until now, the administration has been lukewarm toward this essential program—despite increasing warnings of severe energy problems, despite continued increases in transit ridership, and despite the strong support for this program within the Congress. In the last Congress, it worked hard to reduce the authorization levels in the act. In each of the last 2 years, it has sought only partial appropriations.

But recent events—long gas lines, \$1-a-gallon gas, overcrowded buses and trains and the inevitability of dramatic changes in travel patterns and lifestyles—have worked to reopen the administration's thinking. Now, in addition to redesigning the automobile, the administration has pledged itself to improving alternatives to the automobile.

The need for all of us to focus on improved transit services is very clear; the program faces the greatest challenge in its modern history.

I believe the transit program must work toward meeting two permanent goals:

The first is to meet the immediate challenge of substantial and sudden increases in demand. As the media points out almost daily, our existing systems have had great difficulty accommodating millions of individuals who have decided to leave their cars at home because of recent gas shortages and price increases. A recent report of the U.S. Conference of Mayors indicates that since the start of the gas crisis, transit ridership is up in 77 of 100 cities surveyed, including many cities which did not experience gaslines. Our systems simply do not have the capacity to respond to this overwhelming demand. In my judgment, contingency plans must be developed to maximize the ability of available transit services to respond to major ridership increases.

Second, we must also work toward a long-range goal of increased transit capacity that will provide a workable alternative to the

automobile and influence the trend toward more energy-efficient urban development patterns. Improved rail and bus systems can, over a period of time, help us develop a significantly more efficient urban form. The relationship between energy consumption and urban form has been often noted.

In the Minneapolis-St. Paul area, for example, a recent study found that households in the center city require an average of 1 gallon of gasoline for daily mobility, while those in the suburbs require 2 to 6 gallons per day.

In New York City, the city with the most extensive transit system in the country, per capita energy consumption is 47 percent of the national average.

Electric-powered urban rail systems offer the additional advantage of not being dependent on petroleum since the electricity can be generated by other sources such as hydroelectric or coal.

After my many years of involvement with this program, I believe—more deeply than ever—that good public transportation is a vital component in any plan to make more rational use of our limited resources and to make our country a better, more economical and energy-efficient place to live. The administration's belated agreement is music to my ears. Within the administration, Secretary Adams has often been a chorus of one for developing the full potential of the transit program. I am hopeful that the administration and the Congress can now work in harmony.

In the last few days, only the bare outlines of the administration's proposal have been discussed. I look forward to hearing the Secretary develop the details for the subcommittee this afternoon.

Mr. Secretary and Senator Tsongas, you heard our call to another forum for 10 minutes to vote. But, Paul, do you have a statement to make?

Senator TSONGAS. I would just like to say "Hello" to my former colleague on the House side. I am sure you understand that we are required to respond to the bells.

I do have a statement I would like to have submitted for the record. And since we have a time constraint problem, I will just have a couple of statements.

[Prepared statement of Senator Tsongas follows:]

STATEMENT OF SENATOR PAUL E. TSONGAS

Mr. Chairman, Mr. Secretary, I am pleased to participate in this very worthwhile hearing on the President's recently announced plans to infuse massive funding into our mass transit programs.

As a former member of the House Urban Affairs Subcommittee, I am a veteran of urban legislative fights. I can only hope that the President's plan for mass transit will not take the same tragic route as the President's plan for urban policy. I have been particularly disappointed in the funding level for the Urban Initiatives Mass Transit Program. That program is now at the embarrassingly low funding level of \$80 million for fiscal year 1980, and I understand that we will have to fight to prevent further reductions.

There are many aspects of the President's energy program which disturb me. I have serious concerns about the way in which energy trust funds will be disbursed, and the fact that the funding priorities reflect serious flaws in our long term energy policy.

A simple calculation show that 61 percent of the spending commitment in the President's plan will go to the synthetic fuels program. Only 1.4 percent will go to residential and commercial energy conservation. Only 7 percent will go to mass transit. I would hope that we could have a little more balance in terms of these ratios as the plan wends its way through the Congress.

I plan to bring up my concerns in the Senate Energy Committee, and I will not take up the time of my colleagues or the Secretary on specific issues which are pertinent, but which can best be addressed elsewhere.

Let me address myself to the matter before the committee.

While I am pleased with the increased funding commitment to mass transit, I do not believe that the Administration has given us an accurate estimate of the true energy savings which mass transit can accomplish. I also do not believe that the funding level reflects a commitment to changes in life style which will require increased use of mass transit.

If we are going to get tough on energy, I think we should have an accurate figure of what certain activities will net in terms of import reductions.

We have been given an overly optimistic estimate of the savings of synthetic fuel—2,500,000 BPD to justify a brand new program which will cost \$88 billion—61 percent of the entire trust.

On the other end, we have only 7 percent of the funds invested in mass transit. And to justify that low figure, we are asked to believe that mass transit and improved auto efficiency will yield only a 250,000 BPD reduction after a decade, and after an investment of \$16.5 billion.

I cannot understand why the Administration has underestimated the savings. I think that if accurate estimates were given of the energy savings of mass transit, we would have a clear demonstration of why we need a greater commitment of funds in this area.

The estimated return from the \$16.5 billion mass transit investment looks especially low with the Administration's own figures on automobile transportation: A strictly enforced 55 mph speed limit would result in a savings of 317,000 BPD. This would be an immediate reduction at a limited cost; and a 5-percent reduction in automobile gasoline consumption would save 250,000 BPD. Again, this reduction is certainly within our reach without a major expenditure.

Our recent gasoline shortage has significantly increased mass transit ridership. The imposition of import quotas will make the gasoline shortage permanent. We are approaching a situation in which there will be no free choice between the car and mass transit. People will be forced out of their cars because of the price and shortage of gas.

In cities, which house the majority of our elderly and our poor, mass transit will be the only means of travel to work, to buy food, or to obtain medical and other vital services.

Unlike the present shortage, which has produced temporary shifts to mass transit, the shortage over the decade will be permanent, and will result in a permanent increase in ridership.

The Secretary of Transportation has said that this country's present mass transit system cannot sustain even a 5 percent increase in ridership. If this is true, then I think it is imperative that we anticipate changes in our transportation habits, and work aggressively to develop our mass transit systems.

Senator TSONGAS. I have been following the mass transit urban initiatives program as it wends its way through these two chambers. As you know, that is about \$80 million. We're trying to keep it from being reduced even further. It is unfortunate that Congress has not seen fit to increase or to sustain these programs, but rather is in the process of diminishing them.

The second point is that if you look at the President's energy plan, 61 percent of the spending commitment goes to synthetic fuels, which is nothing more than a maintenance of the current lifestyle approach. 1.4 percent goes to energy conservation for residential and commercial real estate, and only 7 percent goes to mass transit.

I think the President's plan is good and certainly I think it's headed in the right direction, but I would hope that we could have a little more balance as it wends its way through the Congress in terms of these ratios. Obviously, there are going to have to be changes in lifestyle.

I was briefed by your people in Boston about a month and a half ago, and others as well are talking about the need for the change in automobile efficiency and the call that you have made for major

increases in efficiency in the next few years. I just think that there is a lot of very bad news up there. It seems it hasn't been digested by the American people.

Fortunately, people like the chairman, and yourself, saw that a few years ago. But I would hope that the plan as it is finally enacted will seek increased mass transit funds and less in terms of the synthetic fuels.

I look forward to working with you again and ask that the statement be put into the record in its entirety.

Senator WILLIAMS. I think we might break. This is not the final passage of the legislation, unfortunately. It is a motion to reconsider that last amendment which was defeated. So that we might be a little longer.

[Brief recess.]

Senator WILLIAMS. All right, Mr. Secretary, we have a little reprieve here. The motion to reconsider the vote was just announced. Whether it was reconsidered or not, I don't know.

We certainly look forward to your statement and welcome you again.

STATEMENT OF BROCK ADAMS, SECRETARY OF THE U.S. DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY TERRY BRACY, GARY GAYTON, LILLIAN LIBURDI, AND ANN CANBY

Secretary ADAMS. Thank you very much, Mr. Chairman.

I would like to request permission to put this statement in the record.

I think it is most important because I know of the time difficulties that we have, and we will be having further hearings where we can go into details. I don't want to rush you or your staff or the other members of the committee. But I did want to indicate to you promptly and immediately what we had in mind and where we were, and then we can finish both with written answers and with further testimony whenever it is convenient.

Senator WILLIAMS. And we will submit written questions, with the hope that you are in a position to answer most of them.

[Complete statement of Mr. Adams follows:]

STATEMENT OF BROCK ADAMS, SECRETARY OF TRANSPORTATION

Mr. Chairman and members of the subcommittee, I am very pleased to be here this afternoon to discuss with you our plans for increasing Federal assistance for public transit as a part of the President's energy program.

This hearing comes at an especially important time for the country. President Carter, as he addressed the Nation on Sunday evening and as he has spelled out his proposals in the last 2 days, has presented clearly the challenge which faces us. As a nation, as a government and as individual citizens, we must understand the seriousness of the problems that confront us. And we must respond effectively and affirmatively. We cannot continue to drift into ever-increasing dependency on foreign energy supplies. We cannot take the attitude that the problems are too big for us or that they are incapable of solution. We must move forward, with confidence that the resources and resourcefulness of this great Nation can return to us the control over our own lives and our future.

The President's message was one of challenge and of hope. I believe that we are on the threshold of a new era in American life. And I believe that mass transportation will play a far greater role in this new era than it has in the last several decades. The President has indicated that increased support for transit, including carpooling and other means of ridesharing, will be an integral part of his program to achieve a meaningful reduction in energy consumption and, ultimately, energy self-sufficiency. This is an exciting prospect and one which we at the Department of Transportation welcome wholeheartedly.

Transportation now consumes more than one-half of the petroleum used in the United States. This consumption level requires that we make sure that our transportation systems, and our Federal transportation programs, contribute to our efforts to conserve energy rather than draining our resources.

There are a number of transportation-related energy saving measures which can be used to shape the responsiveness of our transportation systems to the broader issues we confront today—particularly urban growth and revitalization. These measures make good transportation sense, good energy sense, and good economic sense. We will be calling on our citizens to change their transportation patterns to achieve both short- and long-term reductions in energy use. To do this in ways that maintain the mobility that is so vital to our national productivity will require a major increase in the alternatives that are available to change the single-car, single occupant habits of the American public.

Shifts from these habits are already occurring. It is becoming increasingly clear that both financial and energy concerns are causing a change in American lifestyle. We are seeing decreases in vehicle miles traveled, in gasoline sales and in discretionary travel. And we are seeing an increase in the use of bicycles, mopeds, and walking; an increase in carpooling and vanpooling; and most importantly an increase in transit ridership.

This transit ridership increase is not just a result of the recent shortages. Ridership has been up 5 percent over the previous year for a number of months. With the recent shortages ridership has increased dramatically. For example, in Los Angeles, May statistics show a 24-percent increase over May 1978, and nationally, ridership in May was up 7.3 percent over May 1978. Furthermore, contrary to popular belief, a substantial percentage of ridership resulting from crises—such as the 1974 oil embargo, the storms of last winter, and the recent shortages—is retained by transit.

However, many people who recently turned to public transportation as an alternative to their private cars found public transportation systems overcrowded and straining to accommodate the many new riders. If we are to provide the public transportation service the people expect and must have in order to prevent severe national economic and social dislocations, transit facilities must be able to accommodate the new demand by providing the flexibility and frequency which will make the transition from the single occupant auto more acceptable.

As the President's energy proposal indicates, this will take money—more money than we currently have budgeted—and a more long term view of transit. The President, therefore, has proposed significant increases in transit funding as part of the energy program and has urged officials at all levels of Government to promote the use of transit. Since enactment of the Urban Mass Transportation Act of 1964, we have made considerable progress in preserving and upgrading woefully deteriorated public transportation systems. However, today's realities are a graphic demonstration of how much we must yet accomplish to meet the challenge posed by our national goal to free the United States from its dependence on foreign oil.

By improving the reliability and expanding the capacity of our transit systems, it will be possible to accommodate a substantial number of persons who currently use automobiles for commuting to work during peak hours and to provide the capacity for substantial shifts to public transit for off-peak personal travel. This will both save energy directly and immediately, and foster shifts in land uses and investments to patterns which will be more energy efficient for the future. It will also give our citizens a realistic way to avoid spending ever-increasing amounts of their income on gasoline for their cars.

Let me give you some specific figures:

At present there are approximately 52,000 buses operated in urban transit service.

By maintaining the present bus fleet and present level of total bus miles per year and tripling the average bus occupancy from 12 to 36 passengers, 140,000 barrels of fuel per day can be saved.

In other words, using currently available resources more efficiently will achieve significant consumption reductions in fuel.

As I mentioned earlier many systems have experienced increases in ridership in the past few months. We are just now beginning to collect data that we can use to substantiate our estimates of savings and we intend to continue to monitor changes occurring nationwide.

If we took the next step and increased transit capacity by 50 percent by 1990 we could save another 200,000 barrels per day.

To accomplish this level of savings, we must accelerate our transit program investments so that we can provide increased bus, rail, and related transit service.

The President proposed to make \$10 billion available—\$1 billion per year—from the revenues of the energy security trust fund for public transportation. We intend

to adapt the existing capital programs of UMTA to fashion a program that will respond flexibly to our needs to increase fuel efficiency and decrease our dependency on foreign oil. This added Federal assistance for transit capital, plant, and equipment will modernize and expand our transit systems and accelerate completion of new systems already started.

Obviously, Mr. Chairman, this all depends on Congress enacting the windfall profits tax and establishing the energy security trust fund. I am confident this will be done. We are developing legislation which will detail the uses of these new funds, which we hope to have to the Congress before recess.

The additional funds for transit will be money well spent. The investments necessary to build transit capacity will produce geometric energy savings—as capacity increases, the ability to provide better service increases; as the ability to providing better service increases, ridership increases; as ridership increases, energy conservation increases.

Increased ridership also leads to further development around transit stations and along transit routes which in turn leads to more ridership and more energy conservation. The ultimate result is energy efficient land use patterns, revitalization of urban areas, a steadily increasing transit constituency and a steadily decreasing use of the single-occupant private vehicle.

Mr. Chairman, the program I have outlined is ambitious. But it is commensurate with the challenges outlined by the President. As the President said Sunday night, we are engaged in a struggle for freedom. We at the Department of Transportation are committed to winning that struggle. I know we will have the support of this committee in our efforts.

That concludes my prepared statement. My colleagues and I would be pleased to answer any questions you may have.

Secretary ADAMS. I am here today, Senator, because both you and your counterparts on the House side had scheduled hearings on what should be done in public transportation. I am extraordinarily pleased that the work that all of us did during the last month has resulted in the President's commitment which he made very clear in the two speeches this week, that public transportation is now public policy in the United States. We are going to be spending our time now determining how we can best develop the program, and I think we will hear differences, among various cities and groups as to how we do that program.

But I wanted you to know that my commitment is strong, that your leadership since 1964 has borne fruit, I think that the American people are now aware of the fact that a public transportation system is an absolute necessity as an alternative to the automobile. The President has addressed the parts that I asked him to: We need to have an automobile system that can get people into our public transportation system. We are all aware that we spent 30 years scattering our people around the countryside, and as the decade of the 1980's proceeds and we start to shift lifestyles and bring people together, all of us have the problems of, in the short term, how do we meet the shortage of energy we are going to have and, in the long term, how does our whole country maintain its life style and maintain its productivity while we are using less petroleum.

That is what this is all about, and it is why we are asking that a windfall profits tax be passed. It is a traditional way for many of us that have lived in the transportation community for years, that people who use a system can pay for it. Fifty percent of the petroleum we use goes into transportation, so, there is a natural nexus, as you so well stated in your opening statement, for doing this.

I also agree with your opening statement on the manner in which lifestyle changes need to occur, and I caution the people that

are making direct comparisons between work trips and automobile work trips to be very careful about how they use their numbers, because we are well aware, and it is a phenomenon that we have developed in the past few years, that the work trip is really less than half of the automobile or petroleum usage. There are an enormous number of discretionary trips that take place.

The American people have now focused on this, and so what they are doing—and this is why transit ridership is up throughout the country, even after the gas lines are over—is they are questioning now whether during the decade of the 1980's the automobile is going to be the dependable means of transportation to go everywhere it has been for 20 years. In other words, people wonder if the petroleum will be available to drive 3,000 miles with five people, or to drive back and forth everyday to work. And so the American people are looking for the alternatives.

Words are so insignificant compared to the actions that occur in the gaslines. I have sat in them; I know you have. The American public's feeling is: "Even if there isn't one in my town, maybe there will be next week." That is what I mean about dependability. They want to have a certainty that there is another way that they can get from place to place.

The reason I say don't just compare work trips alone is: As people you change lifestyles—whether it is van pooling out of shopping centers or collecting people to come into the public transportation system, or younger families moving back into the cities and living in cities, and using a public transportation system—then you begin to get really geometric savings in petroleum because you can have the mobility without it all being dependent upon a petroleum-based source. And that does not take away from the fact that we're going to have to have fuel sources in the synthetic area, and that we're going to have to use more coal. These are other components of the windfall profits tax.

But I told the President, and I say to you, Mr. Chairman, that those of us in the motor pool deal day by day with moving people; that is our business. Our short-term approach is to come up to you and say, "The President wants to put an extra \$1 billion a year in transit, and we will work with you to program that so that the cities can respond to their needs.

A lot of people feel that because you've got a subway system in place that you automatically have a public transportation system. That isn't so, because the factory that was at one end and the neighborhood that was at the other probably changed about 20 years ago. So, the system may still be there, but the movement of people is very different. That is why we have not tried in the \$1 billion add-on to say, "Well, we must immediately put it into this, this, and this." We don't want to get into a big new redtape operation.

I have been trying in the last year to get the project-type momentum into public transportation that we've had in highways. That is why I have worked on the Surface Transportation Administration—because I am trying to get my program—movement people over into the other system so that it goes click, click, click, click, rather than being studied to death.

I have been very willing to talk with you or with others about how you may want to change it. The goal not to "deep-six" public transportation; it is to build a momentum that we developed over 20 years into a new public policy posture that we should have in the United States.

Senator WILLIAMS. Well, I am glad we had that time for that 7½ minutes of your statement. The other part is in the record.

Now, Mr. Secretary, I am very grateful for everything you have said, and I feel a great confidence that we will be able to move in transportation, not only metropolitan, either, but also all the other areas.

Secretary ADAMS. Rural, also. We did away with our rural transit systems, and it is a problem.

Senator WILLIAMS. Now, when you came on for confirmation hearings, we put the question from this committee that would you be agreeable to coming back when called to counsel with us and testify at necessary hearings, and you said "Yes." Can I get a renewal of that commitment that you will come back here as Secretary of Transportation, testifying when we need it?

Secretary ADAMS. Yes, sir. Mr. Chairman, I will be back. You know now where we are with windfall profits tax and the \$10 billion, and whenever you call I am available.

Senator WILLIAMS. The subcommittee will stand adjourned.

[Whereupon the subcommittee was adjourned.]

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