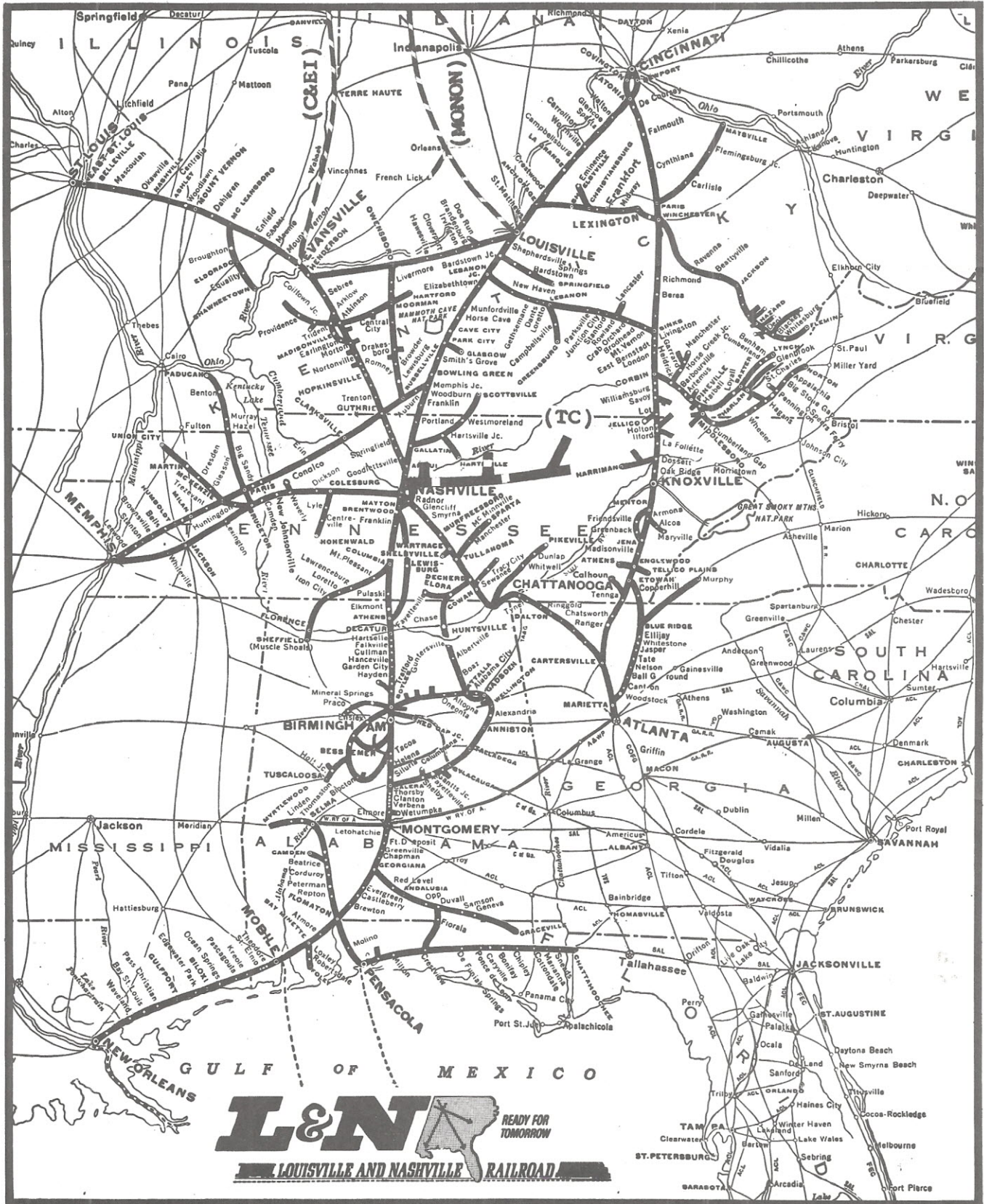


Transport Central



EXPANSION: Acquired Pending

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Ken Hayes

PANACEA: PUBLIC OWNERSHIP

The cry for public ownership is sometimes loud indeed. Surprisingly, in transit, it is sometimes loudest from the system's owners. How many times have you heard or read: "We won't settle for any less than a fair price; we intend to cease operations; we'll give it one last try; we are favorable to the formation of a public district"? There is sometimes more profit to be made in selling out than in continuing to operate a system. Has any operator ever thought to fight public ownership? Fight not only because he wants more money in the condemnation award, but on the grounds that he can provide better service more cheaply than can a publicly-owned system? Unheard of.

Transit is a business just like any other. Well, perhaps not just like, perhaps less profitable, but a business nevertheless. Just as electric utilities have fought public ownership (and just as water utilities have not) so transit is now in the same position to choose its future direction. Electric utilities as private operations provide better service at lower rates than most public systems, taxes included (which a public system does not pay). Think of this: who will support your local school system if the private electric utility goes public, and the taxes it now pays disappear? You will. Your property taxes will rise to take the place of the lost tax money; other businesses' taxes too. And they will reflect these higher taxes in the prices they charge you.

More people then will lose by public ownership—of which a public transit system is a part. Would it not be a great deal cheaper for a city of, say, 100,000 to contribute 25¢ per person a year to a private operator who is losing a like amount, than to lose the property, vehicle and fuel taxes which that operator pays (and which in many cases would amount to \$10,000), and still have to bear the operating losses? A city can help an ailing operator in many other ways, too; actually, a cash subsidy should be the last resort. Some examples of these other ways: Vallejo (Calif.) leases buses to the local transit company for a token rental (it purchased the buses partly through a Federal grant); Zanesville (Ohio) supplies garage facilities to the private operator; Madison "tailors" its street facilities to better suit the bus operations of the local company. More cities provide other kinds of assistance.

Something is radically wrong with the thinking of many of our private transit owners today, and I sure would like to know "what's with you?". Are you that hopeless about transit's future? Have you even half-tried? Or have you, like lots of now-dead operations simply gone on "business-as-usual" until you realized all of a sudden that it was too late to do anything? That is the same way the dinosaur age ended—lack of adaptation to the times. Try it now—not tomorrow, next week or next year. Things won't be any better then unless you act NOW to make them better then. Sure, continue your cost control, but don't overlook market control. Reverse your direction if you can and if not don't slide any further. Dig in, and don't be so fast to use the public ownership panacea. In the end it will cost more than you ever imagined.

(The author will appreciate your comments on this series of articles.)

NEWSFRONT

SKY LINES -- The USSR has agreed to open air space over Siberia to a foreign flag carrier for the first time in history. The Soviet Minister of Civil Aviation and Japan's Minister of Transportation have signed a memorandum which gives Japan Air Lines the right to open an independently operated route over Siberia from Tokyo to Moscow by March 31, 1970. The line is presently in service as a joint JAL-Aeroflot run, but only Soviet planes (Tu-114 turboprops) and crews are used; the new operation would be solely a JAL run....United has placed the largest order ever of seats for its abuilding fleet of Boeing 747s and McDonnell-Douglas DC-10s. Aero-therm will supply more than 14,500 seats (equipped with baggage pod underneath) for \$11.3 million....The USSR and Singapore have signed a pact calling for direct Moscow-Singapore air service....If you want space on Pan Am's first passenger flight to the moon, you may rerserve same by writing to the airline at Box 2212, Boston MA 02107. The line now has over 1,000 requests for space on that historic flight.

ROUTES AND RETIREES -- The CAB has given Piedmont authorization to operate direct Louisville-Knoxville service, as an extension to its present Richmond-Knoxville route....North Central is making a concerted effort to become the eighth airline to serve Louisville. The regional carrier has petitioned for Louisville-Cincinnati-Milwaukee and Louisville-Indianapolis-Milwaukee authority....Air West has sold seven retired DC3s to Aero-Dyne Center outside Seattle; one is now busy fighting fruit flies in Guam....A more legendary "retiree" (or rather two of them) is yet very much in service. Two Ford Tri-Motors (the famed "Tin Geese") still are in daily operation for Island Airlines of Port Clinton, Ohio, carrying passengers on a 40 mile round trip to the offshore islands in Lake Erie. Owner Ralph Dietrick figures the planes (backed up by a warehouse full of parts) will continue in the air for at least another 20 years. Six other Tin Geese are known to be in flying condition elsewhere in the country.

SICK STIX -- The ICC's annual report to the Congress states that only immediate federal action will prevent the complete demise of long-haul passenger service on the railroads. The Commission noted that 575 trains are presently in operation, down from 1448 ten years ago, citing increased costs, declining patronage, deteriorating equipment, loss of related non-passenger revenue and an attitude "of inevitable extinction" on the part of management as the causes of the present situation. An example of the last-named cause is the New Jersey Board of Public Utility Commissioners' report on the conditions at Penn Central's Newark Terminal: poorly maintained, lighted and supervised, allowing undesirable loiterers to commit acts of all descriptions, driving away customers through fear and disgust.

At the same time, AAR president Thomas Goodfellow announced a passenger train subsidy proposal to Congress asking that the government underwrite deficits incurred on trains the ICC deems necessary; purchase and lease to the carriers new equipment to replace the present outdated fleet; and place the "contractual" arrangements under new cost procedures by which the carriers would not profit but be insured against losses.

RUSTING RAIL REPORT -- By mid-April, Chicago's Union Station will begin to undergo a change that will by late 1971 create a modern underground terminal for some 54,000 daily patrons (largely commuters). The transfer of concessions from the concourse (the eastern half of the terminal) and the detour of patrons to alternate entrances is necessary to allow the construction of a modern 35-story building on the site. A possible hitch in the plans could come from the National Association of Railroad Passengers, who object to the permanent bar to full through-operation the con-

struction will create (tracks are stub-ended on both sides of the course, with the exception of several through tracks along the river side of the complex; the builder will add another through track).

In other news on the passenger train front, N&W's Wabash Cannonball must run until July 3 pending hearings....B&M inclusion into N&W Dereco lines has been delayed again, this time until May 1....C&EI has filed suit in Federal District Court to have an ICC order annulled; the order denied the carrier authority to discontinue its last passenger trains between Chicago and Danville (3 and 4, the Danville Flyer)....Contributing Editor Tom Kopriva reports that KCS' Southern Belle, sans sleeper, departed New Orleans recently with one baggage car, one coach and the cafe-lounge-observation; Tom says SP's Sunset didn't look much better with a baggage car, 3 coaches and an automat car. To wrap up Tom's report, New Orleans' city-owned Union Passenger Terminal is paving several track bays so that Greyhound can move into the facility....TC's Paul Weyrich reports that Penn Central is planning to operate the MetroLiners through to New Haven, where a high-platform will be constructed to facilitate transfer to TurboTrain runs to Boston. The MetroLiners are presently running between Washington and New York; it had been planned to operate the TurboTrains on New York-Boston runs. The necessary Penn Station-Grand Central transfer in Manhattan and the possibility of attracting Philadelphia or Washington-bound passengers from Connecticut suburbs was cited as the reason for PC consideration of the extended MetroLiner run.

LONG HAULS -- Canadian National is reported to be desirous of selling its U.S. subsidiaries (Grand Trunk and Central Vermont, among others).... Penn Central's upstate New York Empire Service is under attack by the New York Public Service Commission following a report on Empire's first full year of operation. The report shows some 241 in-service engine failures; some 90 equipment service and safety defects (promptly corrected by PC); and a poor on-time performance (on only three days during 1968 were services 100% on-time, and only one month eastbound and five months westbound did services average the 80% on-time which is the minimum acceptable standard under PSC agreements that originally allowed the scheduling)....A new car ferry has been constructed in a Louisville suburb along the Ohio River for service between Cordova, Valdez and Whittier in Alaska. The 193-foot vessel will be driven by two 1600 HP engines and have a capacity of up to 38 automobiles, and will operate at 15 knots. It is as yet unnamed....The Japanese National Railways, saddled with a \$5 billion debt, will no longer accept car-card advertising for competing modes of transport....Illinois Governor Ogilvie is now an official member of the Illinois Central board; all Illinois chief executives have had that position, which pays \$4800 per year....The all-Negro International Association of Railroad Employees has filed suit against the IC and two unions, charging job discrimination.

METROPOLITAN REPORT -- More Exact Fare cities: San Antonio, Niagara Falls and Toledo; Los Angeles is to join the list soon....New Orleans Public Service has filed for a 5¢ fare hike; at 10¢, NOPSI's adult fare is one of the lowest in the nation....County Transit Lines (Concord-Pleasant Hill-Walnut Creek, Calif.) has cut back service by 60%, enabling it to use 1 full-time and one part-time bus instead of the former four....Legislation to create a special downtown tax district to finance the \$600 million Chicago Loop subway project is soon to be introduced in the state General Assembly....A joint city-private transit operation has been proposed for Joliet. Joliet City Lines, in the customary financial straits, has filed for a 5¢ fare hike to 30¢. JCL is a National City Lines subsidiary (and was the first NCL company)....South Carolina Electric & Gas of Columbia has purchased Suburban Transit, which provided service to Cayce and West Columbia....Toronto's adult fare has gone up to 30¢ from a quarter.