

Transport Central

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The Urban Mass Transportation Administration is about to undergo a reorganization which hopefully will set it on a new course designed to problem-solve in the areas most in need of attention.

If the Bureau of the Budget approves, and if Congress grants the funds—and right now that is a big if—the UMTA would more than double its size. Legal matters and program oversight would receive new emphasis. The capital grant section would be doubled, and more staff would be added in the research section. While other agencies in DOT are retracting in size due to Presidential and Congressional orders, the UMTA is set to expand as part of the President's emphasis on solving the problems of the cities.

Heading up UMTA's "team", as he calls it, is Carlos Villareal, formerly with GE and more recently a vice-president of the Marquardt Corporation. At first, the transit industry had some questions about Villareal's appointment, but now that he has taken office he is proving to be a sympathetic, hard-working, aggressive public servant who is not, as had been feared, only concerned with "magic carpet" type solutions to transit problems.

Villareal succeeds Paul Sitton, who was a competent and knowledgeable Administrator, but who suffered the disadvantage of a six-months tenure. Sitton replaced the acting Administrator, John Robson (later Undersecretary) who only held the urban transit position for a very short time. Before that, UMTA was known as UTA, and was located in HUD, where its most illustrious Administrator was Leo Cusick (who is now heading up Boston's MBTA).

In short, the urban transit program has had problems since its inception. In the beginning it was merely a stepchild in HUD. When it was finally moved to DOT, it changed hands frequently enough that real policy was lacking. In addition, most of the UMTA staff lacked experience in urban transportation, which has hindered the agency's ability in long-range planning and project oversight.

Villareal, for what he may lack in actual transit experience, is a sharp and strong Administrator with imagination, and the Administration (most particularly Secretary Volpe) admits to having selected him for that reason. Thus Villareal, who has spent long hours since coming to Washington familiarizing himself with the structure of the UMTA, has a good appraisal of the magnitude of the job confronting him. Most observers believe he is up to the task.

About half a billion dollars has been granted for capital programs by UMTA

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since its inception. This money has funded just over 100 projects, so many of the grants have been quite sizeable. There are indications that the Nixon Administration may be aiming at a considerable expansion of the capital grant program, possibly through a trust fund. If that is indeed the case (and the need for such expansion is certainly there) then Villareal's ideas for staff enlargement come not a moment too soon.

In the past, UMTA staffers have been assigned to various regions of the country to handle the capital grants. Some of the staff people were not at all familiar with the cities with which they were dealing. In addition, the criteria by which grants were approved were vague, and subject to enormous flexibility. As a result, some projects were approved which should not have been. This was especially true in the "Demonstrations" and "Research and Development" programs.

Such questionable projects as media advertising in Pittsburgh, ghetto bus runs in Boston, Baltimore and Watts (where the money spent would have bought a good used Volkswagen for each of the passengers), public information for bus riders in Washington, etc., were rushed through with little thought as to their application. In the case of the Washington grant, no one is yet sure just how the money was spent, and the whole project remains up in the air.

The ultimate was a grant given to a consultant firm to make a study of what had already been studied in the field. Another \$400,000 study was made to insure "proper orientation" of DOT's programs. In other words, a consultant was asked to study whether or not DOT's programs were sound. In Baltimore, millions have been wasted on studies which have produced little. In fact, the Maryland legislature firmly vetoed the results of the last set of studies which suggested a rapid transit system that would not have been compatible with Washington's planned rail system.

Villareal is aware of many of these problems and for that reason he is proposing auditors who would look after the taxpayers' money to see that it is wisely expended—even after a grant has been made. Considering the state of urban transportation in large and small cities at this time, Villareal (as much as he would like to develop and indeed will work on new systems and technology) knows that the short-range problems are the most pressing. If solutions are not forthcoming, the industry and transit in general may collapse, making long-range solutions even more distant. UMTA watchers can look for Villareal (and what he hopes will be an expert staff) to concentrate on the real problems in the next few years. He will develop a long-range plan, but the short-range topics are highest on his priority list.

NEWSFRONT

KICK IN THE HEAD -- Railroad unions won both rounds of last week's latest crises in the continuing battle between management and labor. The IC agreed to rehire a third crewman on 225 commuter runs and negotiate for another 50 three-man crews with the United Transportation Union; the carrier indicated that it will ask for passenger and freight rate increases to offset the added labor costs....The nation's railroads and the Brotherhood of Railroad Signalmen finally compromised their differences and an agreement was recommended to the rank and file for their approval. The BRS pact averted a nationwide rail strike called for Monday last, and the UTU/IC settlement ended a five-day shut-down of the railroad on Sunday....Meanwhile, six shopcraft unions under the Railway Employees Department of the AFL-CIO have voted to strike the railroads but have not set a walkout date; the dispute centers on wages and fringe benefits, as might be expected.

ODD LOTS -- MKT subsidiary Beaver, Meade and Englewood Railroad Company has asked for ICC permission to discontinue its entire 105-mile route in the western Oklahoma Panhandle because it is losing money and the urgently-needed rehabilitation of the line is not economically justifiable....The appeal of the ICC's decision permitting discontinuance of CB&Q 42-43 (Omaha-Billings) was denied....The ICC ordered SCL to continue operating 51-52 (Florence, S.C.-Augusta) for nine months (to January 8, 1970)....Penn Central has been given New York Public Service Commission permission to increase its fares 10% (to the same level as PC's interstate tariffs) effective April 1....IC has announced preliminary plans for a new main line station and office building on its own air rights over the present 12th Street station in Chicago; the \$25 to \$30 million venture now goes to management for its approval.

SPECIAL DEAL -- The National Railway Publication Company is publishing a Golden Spike Centennial issue for June of this year, containing updated special indexes to its own June 1968 Centennial issue plus several historical advertisements and articles on the Golden Spike Ceremony; in addition, a complete reprint of the June 1869 Travelers Official Railway Guide also containing special carrier indexes will be available. The reprints are being sold at \$5 each separately, with a special rate of \$10 being in effect for both reprint and the regular June issue, all from the publisher, at 432 W. 33rd Street, New York, NY 10001.

WINGS OVER THE PACIFIC? -- Now President Nixon has issued his version of the awards in the controversial transpacific route case. The new Chief Executive rescinded his predecessor's awards just four days after he took office, largely because certain plums went to airlines represented by political cronies of Lyndon Johnson. The new grants delete the most-disputed awards (service to Hawaii via Mexico given to Braniff, and the entire South Pacific pattern given to Continental) but they retain most of the other awards handed out by President Johnson. Pan Am will lose a previous award of Pacific Northwest-Orient service via the Alaska Great Circle Route, but will gain a New York-Orient Great Circle Route in competition with Northwest. Northwest may not add California points to its Great Circle Routes, but can add several inland and Eastern points. NWAL will also receive a Central Pacific route to the Orient in competition with Pan Am. TWA may now add a Hong Kong-Hawaii-California route to its service pattern, and thus will fly all the way around the world as does Pan Am. Flying Tiger will also receive cargo routes to the Orient for a five-year trial period. Presumably now, the Hawaii services granted earlier but oft-postponed because of possible

conflicts with transpacific services can now also be implemented. Although this action should settle the matter once and for all, Continental has already filed suit in Federal court to void the awards, on the grounds that President Nixon had no authority to overrule his predecessor; Continental stands to lose much revenue from being denied the South Pacific services it was given by Lyndon Johnson.

JET JOTTINGS -- Northeast Airlines has begun its first Chicago service, daily runs to New England via Detroit and Cleveland. Because of space limitations at O'Hare, all NE flights will use Midway Airport on the city's South Side....A CAB examiner has recommended that the Hughes Tool Company be permitted to acquire financially-ailing Air West. The recommendation is subject to full board approval....The CAB has declined to intervene in United's plans to form a holding company as a means toward diversification into non-transportation ventures....UAL, by the way, still operates DC-6s in San Francisco-Salt Lake City local service, on flights 816-837....Air Wisconsin will begin Kokomo/Peru/Logansport to Detroit level III service April 27....That BOAC strike (which pilots said might last three to six months) was over in six days....The nation's airlines have agreed on a common semi-automatic reservations system. Travel agents may now make instantaneous bookings without having to call the airlines directly....South African Airways has upped its three Boeing 737 order to six....The CAB has awarded North Central non-stop Twin Cities-Denver service, in competition with Western....Air Canada machinists are to strike that line on Sunday.

AIR ADDENDA -- Chicago Helicopter Airways will resume Midway-O'Hare service, along with runs from both points to Meigs Field on May 31....On July 1, TWA begins daily non-stop Chicago-Paris service....Sabena has proposed Chicago-Brussels direct service; if approved, flying time between the two cities would be cut to eight hours from almost twelve....Finnair, using Braniff's JFK facilities, will inaugurate new jet service from that point to Amsterdam, Copenhagen and Helsinki on May 15....Chicago's O'Hare Field retained its position as the world's busiest airport with 690,810 takeoffs and landings last year; the field has held the title since 1962. Runners-up were LA International, Van Nuys, Opa Locka, Ft. Lauderdale, Santa Ana, Long Beach, Minneapolis Flying Cloud and Tamiami; total movements include general (private) aviation as well.

LONG HAULS -- Moore-McCormack Lines now wants to abandon all ocean passenger service this year, to concentrate on more-profitable freight hauling. The company would save \$5 million yearly if the Federal Maritime Administration would permit the discontinuance....Holiday Inns, now Trailways' parent, plans to build a 200-room hotel on top of the Atlanta Trailways terminal, just completed. This is the first joint venture of the now-associated firms....The U.S. government has filed suit to collect customs penalties it claims are due on 1248 Eagles imported from Belgium by Trailways. The action seeks \$62,000,000 in penalties....Greyhound is moving its passenger operations in New Orleans this fall to the Union Passenger rail terminal, opened in 1961.

METROPOLITAN REPORT -- After delays caused by rising construction expenses, a contract was finally let for the "Northwest Passage" C&NW/CTA link between the railroad's downtown station and the Lake Street "L". A moving sidewalk will be the principal feature of the block-long passageway between the two facilities....Portland operations of Rose City Transit will be turned over to that Oregon city on June 12....Community Traction's two subsidiaries, Holland-Sylvania Lines and Maumee Valley Transportation, are soon to be merged into the parent company, giving the Toledo area an integrated urban/suburban transit system.