

"Orville, there'll be overcrowded airports, lost luggage, holding patterns, sales of warplanes, air controller strikes—to heck with it!"

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## INTERFACE

#### One More Time . . .

We had hoped to lay to rest the series of editorials on the perceived shortcomings of the Chicago Transit Authority and its umbrella overlord, the RTA, with our special APTA/IPTE issue last month. However, events of the past several days cry out for comment, so we'll give it one more go-around.

One of the ploys through which the mayor of the city of Chicago moved to acquire control of the CTA from the state and the RTA was the imposition of a tax on professional services rendered within the city. It would have raised some \$78,000,000 earmarked for the troubled agency in the wake of the state's failure to provide funding for the CTA or RTA. Anticipating the receipts from that tax, the city borrowed \$50,000,000 from area banks, and had already given the CTA some \$20,000,000 of the proceeds. The loan would be retired by the city from a new \$70,000,000 bond issue which, in turn, would be repaid from the proceeds of the new service tax.

Originally, funding of the CTA by the city was to have come from a variety of sources, but, no doubt anticipating what was to come, a few weeks ago the mayor announced a change in budgetary planning which put the entire burden of CTA subsidization upon the service tax.

Not surprisingly, in the wake of repeated court rulings that cities with home rule powers, *i.e.*, Chicago, cannot directly tax occupations, the Illinois Supreme Court threw out the tax as unconstitutional, promising a detailed opinion outlining its reasoning in the near future.

Before the ink was dry on the ruling, the mayor cut the CTA loose from the city's purse strings, with no additional funding promised from the cash-strapped municipality, despite an earlier edict that the Authority would now be a ward of that same government.

Mayoral pronouncements were immediately forthcoming about no immediate fare increases for Chicagoans (present base rate is 90¢, with a transfer 10¢ additional)-but suburbanites were warned to expect surcharges on those CTA routes that extend beyond the city limits (unless, of course, their munucipalities were willing to kick in funds to help the Authority), and the CTA's unions were put on notice that their contracts must be renegotiated now (they expire at the end of next year) to prevent a total shutdown of the system.

All rhetoric aside, it appears that the city's grandstand plan to save the CTA from an uncertain fate (proving that Chicago's cavalry can come to the rescue of the fair damsel abandoned by Springfield) has foundered on the shoals of politics.

The Authority, meanwhile, was left to lick its wounds and ponder its future. At a hastily arranged Board meeting, the Authority voted to place into effect the second round of service cuts it had tabled some weeks back in the wake of unexpectedly vocal protests at a series of public hearings. Only a few of the proposed excisions (basically "trading material") were cancelled, but the package will only save about \$5,000,000 annually, still woefully short of an anticipated deficit of 30 times that amount by the end of next year.

Both principal ATU divisions (locals), 241 (surface) and 308 (rapid) hardlined the mayoral pronouncement and vowed to hold the agency to the terms of its contract, no matter what, throwing the ball back to Springfield.

And so the continuing crisis refuses to go away, despite the best efforts of all concerned to point the finger elsewhere for blame. Statesmanship, a platform on which all aspiring candidates for public office firmly stand, has been noticeably lacking–the Chicago Machine, increasingly out of touch with the realities of the 1980's, continues to assert control it is no longer entitled to have, and the state government continues to rival the best slapstick Hollywood has to offer.

It becomes harder and harder to pin the blame for the never-ending civic cliff-

A NOTE FROM THE STAFF: The increasingly busy schedules of this publication's graphic arts corporate parent will necessitate some changes in the frequency of issue of TC in the months to come-and a holding of the line, price-wise, for a while at least. The necessity to double-up on issues in the past several months has prompted us to re-evaluate our policy of thrice-monthly issue frequency next year. Effective in 1982, therefore, we are reverting to our former schedule of twice-monthly production, nominally dated for the 8th and 23rd of each month. Total page content will be at least the equal of 1981, but the wider headways will also permit an easing of the postal burden. In effect, we will be able to avoid a subscription rate increase due to the hike in postage rates earlier this month. However, given the inflationary nature of the economy, we cannot guarantee the present rate too far into the future: printing price and the burgen.

hanger for, as we have said before, there is virtually no one without sin in this social saga. At the same time, it becomes even more difficult to find a way out of the morass without goring oxen, killing sacred cows and treading on sensitive political toes. The unspoken (but apparently heartfelt) universal belief seems to be that it is necessary to kill the patient to effect a cure.

Let us indulge in a flight of fantasy, however, and construct a viable regional transportation system out of the wreckage along sound economic lines, a bus and rail network that would offer service tailored to the area's real (rather than perceived) needs, at a price compatible with the region's ability to pay for it. Such a Utopian system would have to be responsive to (at least) these objectives:

1. A truly regional agency free from partisan political control. With the continuing hemorrhage of population from city to suburbs, it becomes inevitable that a real sharing of control of an agency empowered to ignore municipal boundary lines in shaping a rational system must take precedence over petty partisan political quarrels. Some of the more enlightened suburbs have indicated a desire to sit down with the city and negotiate questions that transcend political jurisdictions; it behooves the city to recognize its eroding political base and bargain in good faith with its suburbs to resolve this and other regional problems on terms beneficial to the area as a whole. The continued existence of a wall separating Chicago and the suburbs can only hasten the demise of both.

2. Local structural and financial responsibility. Any regional transportation agency must be structured and supported by the area it serves-not directly by the state or federal governments. Financial involvement by superior jurisdictions should be limited to capital funding where volume purchases with other agencies would provide significant financial savings, or to assist in funding those projects whose benefits spread far beyond the immediate region. The system must be sized to remain within the capacity of its service area to support it.

3. Organization on a sound economic basis-with quick responsiveness to change. A realistic budget based on available resources must be devised that provides for expansion and contraction as the economic climate requires. The farebox should be expected to continue to provide at least half the system's operating expenses, with the bulk of the remainder coming from a region-wide corporate income tax.

4. Support from the business community. It can be fairly argued that business in the region served by a transit system benefits most from its existence, and that a viable bus and rail network assists measurably in the growth of commerce. Many businesses currently subsidize their auto-bound workers and customers by providing parking at far below cost to the firm; since the existence of a strong transit system will ultimately benefit business through increased sales and a larger employe pool, a portion of those profits should be plowed back into the economy through subsidization of the transit rider as well. The business community has been quick to push for state subsidization of transit–and to spend heavily to lobby for it–those dollars would be far better spent through a regional tax specifically earmarked for the economic betterment of the area. Input from the business community at large should also include voluntary efforts to decrease the load upon the system by a sensible program of staggered working hours, along with coordinated support for measures such as traffic control that will improve mobility. Public transit can significantly assist the businessman if the businessman will help public transit in return.

5. A new understanding between management and labor. It has been an American tradition that labor and management must of necessity be poles apart in position and thinking. In the era of Samuel Gompers and other great labor leaders, militancy was necessary to protect the rights of the worker; the realities of the 1980's require a different approach, particularly in the public sector. When the rhetoric is stripped away from labor's claims that management is bloated, and management's insistence that labor's demands are unreasonable, the fact still remains that the adversary relationship of long standing has rendered self-protection (as opposed to the continued health of the company) the only goal of negotiations. (Parenthetically, perhaps as good an indicator as any of the wide gulf between labor and management is the continuing need for transit companies [not only the CTA, of course] to increase the size of their employe parking facilities. When even the employes spurn the company's services, it is certain that what the firm has to offer is of dubious value. Perhaps the solution is to provide an employe incentive plan where, as ridership and revenue goes up, so does pay.)

6. A realistic appraisal of regional needs-and the system's ability to meet them. Regrettably, the halcyon days of two and three decades ago, where a bus line down every other street running all day, every day are gone forever; the financial base of the community is simply unable to provide such a level of service. It is necessary, therefore, for a system to be devised that will be responsive enough to changes within the service area to adapt to the actual needs of the region, without the delays common to restructuring of public transit that further erode its ridership. The network must take the fullest advantage of modern technology to shape its structure, provide for the utmost flexibility in employe scheduling and maintain a continuing dialogue with the community as to its needs in order to maintain a viable transit utility.

These are but a few of the tenets of sound business that ought to be applied to our ideal transit system. There are many more, of course, from encouraging meaningful dialogue with riders through coordinating functions with other governmental agencies wherever possible to speaking with a much louder voice in asserting the agency's rights in questions vital to its existence and survival, but, since the structure outlined above is not likely to take shape within our lifetime, fleshing it out would appear to be an exercise in futility as well.

-RICHARD R. KUNZ

## RAIL

## Along the Right-of-Way Trips for Train Junkies, Etc.

Agatha Christie popularized it; the pre-jet set rode it, and it was said to possess more international intrigue per passenger mile than any other train in the world.

The famed Orient Express will return to the rails on a yearround basis in 1982-thanks to \$20,000,000 and four years of hard work by a London-based American–James Sherwood, president of the Sea Containers group, which is restoring the train.

The first Orient Express left Paris in 1883; the last steamed into oblivion four years ago. Next May 28, the new Orient Express will depart from London's Victoria Station bound for Venice by way of Paris, Dijon, Lausanne and the Simplon tunnel. The reconditioned varnish run-using many vintage cars from the earlier incarnation of the train, will then leave Victoria twice each week (with an additional Paris departure sandwiched in) bound for the "gateway to the East", as Venice has often been called; the original Direct-Orient Express tied up at Istanbul. The intrepid traveler could then ferry the Bosporus and board a train that, with a series of changes, would eventually land him in the wilds of eastern Iran-not quite the Orient itself, but many thousands of miles from Victoria Station nonetheless.

The new corporation overseeing the return of the famed train now has refurbished a total of 35 cars from past *Orient Express* consists-enough for two complete trains, and all restored to their earlier grandeur.

When through service begins next May, any segment of the 24-hour London-Venice trip can be taken separately. First-class tariff for the London-Venice run is £250 (\$462.50 at current exchange rates), with one luncheon, one dinner and one light breakfast included.

▶ Meanwhile, back in the U.S., a new combine called 20th Century Rail Tours is promoting cross-country excursions aboard private cars of the 1930s and '40s. A New York-Los Angeles ticket will cost \$2,295 per person, but that includes all charges except meals in stopover cities, the use on an onboard telephone and fares to and from the departure city. The cars of the tour will be attached to regular Amtrak runs, and stopovers will be arranged in various cities enroute.

For the ultimate in rail travel, consider the Central Kingdom Express, a 9331-mile run between London and Hong Kong; with the exception of the cross-channel crossing, all by rail.

Departure is from Victoria Station in London, then to Dover and across the Channel, to Paris, Berlin, Warsaw and Moscow. From that point, service is via the Trans-Siberian

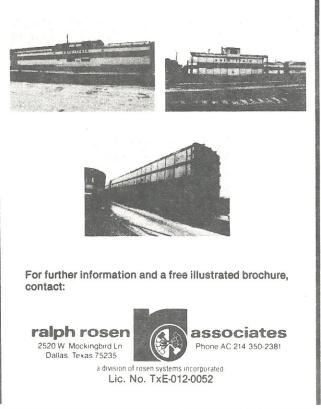
#### **BANKRUPTCY SALE AT**

## **AUCTION**

#### TUES. & WED. DEC. 8 & 9 10 A.M. Sale authorized by the Trustee in Bankruptcy on the premises at: AUTO-TRAIN CORPORATION Sanford, Florida

#### Featuring:

RAIL CARS: Approx. 100 to 150 asstd. rail cars will be offered in the auction (exact number still being determined at publication deadline). INCLUDES: Luxurious office car w/three bedrooms w/bath in each, dining room, kitchen, pantry, office area, attendants' sleeping quarters w/bath; Caboose; Sleeper cars; Minidome & full dome coach cars \* Dome & Lounge car; Full-dome nightclub car; Bi-Level & Tri-Level auto carriers; etc. \* \$1,500,000.00 INVENTORY OF RAIL CAR REPLACEMENT PARTS & ACCESSORIES INCLUDING: Undercarriage items such as axles, wheels, springs; Brake parts; Plumbing, steam & air fittings; Electrical items includes motors, transformers, generators, etc.; Asst. body & roof items includes large qty. new carpet as well as hardware of all types \* \$300,000 INVENTORY OF COMMISSARY & **RESTAURANT EQUIPMENT & SUPPLIES INCLUDING:** Linen (table, bath & bed); Large qty. asstd. chinaware & flatware; Serving accessories; Ice machines; Coffee makers; Kitchenware & cutlery \* COMPLETE INDUSTRIAL LAUNDRY \* MAINTENANCE & SHOP MACHINERY & EQUIPMENT \* TRUCKS & AUTOMOBILES \* 36' OFFICE TRAILER \* OFFICE FURNITURE & EQUIP. \* SEVERAL BUILDINGS (CAN BE REMOVED OR ATTRACTIVE GROUND LEASE AVAILABLE.) \* MANY MORE ITEMS.



Railroad to Irkutsk, along the southern edge of Lake Baikal to Ulan Ude, then south through Mongolia (with a stop at Ulan Bator, the capital), into China, via Datong, Beijing (Peking), Nanjing, Shanghai, and Canton enroute to Hong Kong's new Kowloon station.

The 20- to 42-day trip costs about \$4000, and utilizes seven different trains to cover the distance. Despite the antipathy between the Soviet and Chinese regimes, through service still operates between Moscow and Peking once each week over the Mongolian connection (the Chinese Eastern Railway) completed in 1903. From Victoria to the Polish border, the trip is made on standard-gauge (4'81/2") lines: from that point to the Chinese border, travel is over rails laid to the Russian (1524 mm) gauge; much of the mileage in both gauges is electrified, including the newest section on the Kowloon-Canton Railway.

### **Foreign File**

► Recently, the *Wall Street Journal* carried a lengthy article on the abuilding extensions of the Chemin de Fer Transgabonais. The original section of the line in the former French colony, from its capital at Libreville on the Atlantic to N'Djole, 112 miles into the interior, opened in December 1978. A year from now, an extension of comparable length to Booue is scheduled to be opened, and by 1987, the line to extensive mineral deposits at Belinga is expected to be ready. A link to Franceville, almost on the Congo border, is in the planning stages.

These costly extensions (budgeted at about \$3,500,000 per mile, with a total tab of some \$4,000,000,000 by the time service reaches Belinga) are expected to open up Gabon's jungle interior to exploration and colonization. A consortium of 17 European companies is building the railroad using American and European equipment, engineering and labor. Most of the country is more or less inaccessible from the capital (except by way of the Congo, or by boat along the Ogooue River and then on foot through the jungle), and a road network would be difficult to build and maintain because of the topography and anticipated freight loadings.

The much-admired Bundesbahn, the West German rail network, expects to post a loss of almost \$2,000,000,000 this year, 22% greater than the deficit recorded last year-and the red ink will undoubtedly flow in even greater amounts next year as well.

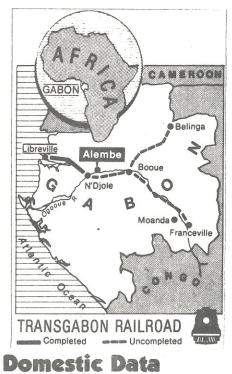
The Bundesbahn has not posted a profit since 1952. Fares cover costs on only the carrier's high-speed, electrified intercity routes. On freight and local passenger lines, fares cover substantially less than the cost of providing transportation.

For political reasons, while maintaining 40,000 miles of track over which more than a billion passengers each year are carried, the carrier is not allowed to differentiate in tariffs by the amount of traffic the individual route hauls-largely to provide economical service to areas left without convenient connections when the country was divided after the War. All fares are based on distance, with current ticket prices ranging from about 4 to 5 cents per mile. Freight rates and passenger tariffs are set to rise again early next year; ticket prices went up by an average of over 14 per cent this year.

British Rail and the European Channel Tunnel Group have concluded a preliminary agreement to jointly sponsor and manage British Rail's portion of a Channel tunnel. The agreement specifies a singletrack bore, about 20 feet in diameter.

Work has begun on a formal pact concerning ownership, construction, operation and financing. The European Channel Tunnel Group is composed of partners from France, England, Holland and West Germany.

GM of Canada has received an order for 92 locomotives valued at \$100,000,-000 (Canadian), bringing to almost 200 units ordered from GM by the Egyptian Railways.



In May 1981, ConRail filed with the Interstate Commerce Commission and published in various newspapers a System Diagram Map identifying lines of railroad which might be abandoned. The Northeast Rail Service Act of 1981 establishes new abandonment procedures and renders the May map misleading. Thus ConRail has notified the Interstate Commerce Commission that the May map is withdrawn.

However, ConRail is going forward with a number of abandonments. The identification of such lines on a System Diagram Map is not a prerequisite to abandonment under the new law. However, ConRail is submitting to the Commission a new diagram showing ConRail's present plans for line abandonments under the new law. A list of these lines may be obtained without charge from ConRail, Room 1040A, 6 Penn Center, Philadelphia PA 19104. The new diagram map may be obtained upon payment of \$5 to ConRail at the same address.

The new name for the merged Norfolk & Western and Southern Railways will be Norfolk Southern Corporation (no relation to the Norfolk & Southern Railway that Southern acquired in 1974). The new company is expected to diversify into trucks, airlines and barges; N&W has already opted to buy an interest in Piedmont Airlines.

The merged carrier will operate over 17,500 miles of track (fourth longest in the U.S.), but NS would have the #1 ranking in rail earnings.

► Indiana allows an income-tax credit of up to \$1,000 to any railroad that donates a railroad station in the state, and at least \$5,000 to restore it, to any unit of government in tax years starting before 1983.

The Senate Public Works Committee has voted out a bill aimed at reconverting Washington Union Station into a rail passenger depot. The measure (approved in principle by the Administration), would transfer control of the station from the Department of the Interior to DOT. Interior, which acquired control in 1976, transformed it into a little-used Visitor's Center; rail operations were moved to a small structure at the rear of the depot.

The station itself had to be closed last winter because its roof was falling in; the Senate bill would require an expenditure of \$8,100,000 in existing funds to repair the roof. DOT would also be permitted to actually acquire the building from two real estate firms that own it, and would also be directed to work out private development of retail shops and other commercial ventures that could assist in future financing of necessary restoration work. Completion of a presently half-finished parking garage is also provided for in the Senate bill.

## TRANSIT

### Chicago Comment Grumman Gripe, Cheap Cabs, Suburban Surcharge

Chicago's Regional Transportation Authority has filed suit in a state court seeking more than \$9,500,000 in damages the agency claimed it suffered as a result of the forced removal of Grumman Flxible buses from service.

The suit seeks from Grumman more than \$1,900,000 on each of five counts against the company, alleging breach of warranty, careless and negligent design, manufacture and sale of defective buses, failure to properly inspect for structural defects during the production and repair process, and causing a danger to the public health.

Chicago joined New York and Los Angeles in deadlining their entire 870 fleets when cracks were discovered in their underframes. Grumman has laid out more than \$50,000,000 this year to repair the defective frames and to develop a replacement model.

Most of Chicago's 205 sidelined coaches have now been repaired and returned to service in the suburbs (the CTA did not acquire any 870's). In New York, however, only 100 of the 837 withdrawn Grummans have been returned to service, and the TA has said that the December 31 deadline for completion of the retrofitting will not be met. On that date, some \$20,000,000 held in escrow toward final delivery and acceptance of the 870's reverts to the agencies that are paying for the buses.

At the same time, TA officials have alleged that more than two-thirds of the 870's sent back to Grumman still had mechanical problems on their return to service in New York.

While "making do" with overage buses rescued from the scrap heap and 160 coaches borrowed from Washington (as well as a contingent of 500 GM RTS-II transits that were just delivered, TA officials are mulling a similiar suit against Grumman.

About a week ago, the city began permitting cabs to solicit rides on the State Street Mall after 7:00 PM, citing reduced CTA bus service in the post-rush period. On December 7, a shared-ride program will begin that is hoped will cut the cost per trip for passengers and increase driver and company revenues.

Under the plan, the shared-ride service will be provided in three downtown and Near North zones as well as from O'Hare International Airport to the Loop.

Passengers sharing a ride within one of the three zones will pay a fare of \$1.50 per

person. Crossing a zone boundary will subject the rider to an additional 50¢ charge per zone.



A shared-ride from O'Hare will cost a rider a flat \$12 to any one of the three downtown zones (a savings of \$4 to \$8 over the meter rate). Cabs in the program will be dispatched from Terminal 3 at the airport, and will be allowed ten minutes to make up a load of three passengers. At the expiration of that time, the driver will be required to depart for the Loop, even if he has only one rider in the cab. That rider will still be charged \$12 for the trip. Passengers will still have the option at O'Hare (and downtown as well) of choosing the regular one-rider cab service at the regular meter rates.

The shared-ride program is an outgrowth of a city study that revealed that city cabs are empty 44% of the time they are on the streets. Should this limited experiment be successful, it may be expanded to include outbound trips to O'Hare, as well as round trips between the Loop and the McCormick Place exposition hall on the lakefront.

The current chapter in the continuing transit crisis in the Windy City centers around proposed surcharges for suburban riders of CTA buses. Simpson & Curtin, the Philadelphia-based consulting firm currently monitoring the Authority with a view toward reducing its expenses, has recommended that a 50¢ surcharge be added to the fare paid by suburban riders.

The extra charge would be assessed in units of two (\$1 total) when the rider boards a CTA bus or train outside the city, since it would be impossible to distinguish between city and suburban passengers within the confines of Chicago, and collection of a zone charge at the city limits is not feasible because of cost and logistics.

In addition, a surcharge would be added on the CTA bus shuttles to and from the commuter rail stations, as they are principally used by suburbanites; and a 25¢ fee would be assessed when a "universal" RTA transfer is presented for use on a CTA vehicle (no extra charge is currently assessed on presentation of an intercompany transfer, although Nortran (the north and northwest suburban carrier) imposed a 25¢ surcharge for a short period this year with the approval of the RTA in an attempt to keep its essential services rolling during the financial pinch.

The consultants also recommended an increase in the basic fare for local rides in Evanston and Skokie provided by the CTA from 60¢ to 90¢. As an alternative to any or all of the surcharges, the affected communities would be free to subsidize CTA services within their municipalities to bring revenues up to the 42% of ride cost that is the norm in Chicago.

Those commuter cars released from the Norfolk & Western's *Orland Park Cannonball* by new RTA bilevel equipment two years ago have found another home.

After being bumped from the N&W commuter run, they spent a short time on the pair of runs then operated by ConRail between Chicago and Valparaiso for Indiana commuters each work day. When Amtrak assumed control of the runs from ConRail, the Corporation's own equipment was assigned to the line and the N&W units were returned to their owner.

They are currently being refurbished at N&W's Roanoke maintenance base for use in excursion specials behind Class J 4-8-4 611, now undergoing restoration at the Southern's steam shop in Birmingham. The passenger cars will be mated with similar NRHS-owned coaches to create a 12-to-14 car matching *Powhatan Arrow* consist to go behind the J. Next year marks the centennial of both N&W and Roanoke, and a series of excursion trips is tentatively planned to operate in that area during the summer. *—Railfan & Railroad* 

### **City Lines** Of Cable Cars and M-A-N's

The city of San Francisco is now engaged in a campaign to raise \$10,000,000 to save one of its most unique treasures the fleet of cable cars that climb its steep hills each day.

Unsafe, and in need of a major overhaul to meet current safety standards, the system that traces its roots to Andrew Hallidie's pioneer Clay Street line 108 years ago needs some \$60,000,000 to put itself in order. UMTA has pledged \$50,000,000 of that sum –on the condition that the city come up with the balance by the time the repair program is scheduled to begin next

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Neither the city nor the Muni have the \$10,000,000, however-largely because of necessary spending cuts in the wake of Proposition 13. Thus, San Francisco is now embarking on a program to raise the needed funds privately. Thus far, the Committee to Save the Cable Cars has raised about \$3,100,000-but the flow of money is not at the level necessary to reach next year's goal. United Airlines and Standard Oil of California (Chevron) have each donated \$1,000,000, but the balance has come from small contributors.

Future fund-raising activities are planned, spearheaded by mayor Dianne Feinstein, including luncheons and other affairs, and a plan is afoot to send a motorized "cable car" around the country seeking contributions to the cause.

M.A.N. Truck & Bus Corporation opened its new plant in Cleveland, N.C. early in November, with an order book holding tenders from 11 transit firms for a total of 635 articulated units. Company officials expect the combined orders, worth \$160,000,000, to keep the company busy until well into 1984.

The 55- or 60-foot articulated coaches, seating over 70 passengers, are making substantial inroads into the U.S. transit market: European carriers have used them as a fleet staple for many years. U.S. transit industry analysts predict that the articulated, as offered not only by M.A.N., but by Ikarus, Volvo, Neoplan and others, may make up as much as 25% of domestic transit fleets: the CTA, for example, would like to have about 1,000 such units on the street in the next five years in addition to the 20 currently on the roster and 125 on order-but has been temporarily dissuaded from such a purchase because of economic and logistic considerations.

The hoopla surrounding the opening of the new M.A.N. plant (about 40 miles north of Charlotte) was clouded somewhat, however, by a tentative finding by the National Highway Traffic Safety Administration that it found a hazard involving the design of the rear stepwell of the articulated units. Passengers standing in the stepwell could be injured by the inward opening doors, the report said, noting reports of 56 incidents and 10 injuries involving the buses. The agency said children standing in the slots that were cut into the rear stepwells to accomodate the open doors can suffer foot or leg injuries when the doors open.

The subsidiary's West German parent has, along with Siemens, won an order from the Athens-Piraeus Railway in Greece for 15 commuter cars. The order is worth \$35,800,000, and involves the construction of three five-car sets. M.A.N. will build the cars, and Siemens will supply the propulsion equipment. The trainsets are scheduled for delivery in 1983. Taking advantage of a new Treasury plan made possible by the U.S. Economic Recovery Tax Act, Metromedia Inc., a New York City-based communications conglomerate, has purchased 10 rail cars and 600 buses from the TA to get a \$102,000,000 income tax deduction over the next five years.

The law allows public transit agencies to sell their buses and trains for cash and lease them back from private companies. The purchaser gets a tax deduction for the vehicles' depreciation, and the tax-exempt agencies get the cash. Until the August passage of the Act, only private carriers could make such sales.

Other carriers around the country were mulling similar sale-and-leaseback proposals, but the Metromedia deal is the first such pact finalized. Chicago's RTA has voted against such a plan for the moment, while the CTA has the matter under study. DOT favors the idea as a means of assisting cash-poor transit agencies, but the U.S. Treasury opposes the plan on principle, and has set up some obstacles to its implementation in certain instances.

Some cogent editorial comment from *Crain's Chicago Business*:

The legislature in Massachusetts... has gone a long way toward helping Boston reform its transit system without spending a cent.

It passed, and federal courts have now upheld, a package of management-rights laws. One forbids the local transit authority from including cost-of-living pay boosts in contracts with the transit union and allows the authority to overturn featherbedding union work rules. The second requires Bay State arbitrators to consider the ability of municipalities to pay in deciding wage increases.

... [Chicago's Mayor] has drawn the battlelines with transit unions here in demanding concessions on wages and work rules. As [the mayor] wades into that battle, the General Assembly could give [the mayor] a hand by taking a cue from Massachusetts.

The end of federal aid to public transit systems, as proposed by the Administration, could effectively end bus service in at least 27 cities, according to the American Public Transit Association.

The Administration wants to phase out all federal operating subsidies to public transit carriers by September 30, 1984. The subsidies totalled \$1,500,000,000 in 1981.

Those cities which indicated no recourse but to terminate all service when those subsidies end include: Bay City, Jackson, Kalamazoo and Monroe (MI); Allentown, Harrisburg, Lancaster and Scranton (PA); El Paso, Lubbock and Waco (TX); Chattanooga and Knoxville (TN); Kent and Lima (OH); Charlotte (NC); Huntington (WV); Jamaica (NY); Lafayette (IN); Little Rock (AR); Lowell (MA); Moorhead (MN); Owensboro (KY); Peoria (IL); St. Joseph (MO); Shreveport (LA); and Stockton (CA).

Transit service in Youngstown, Ohio, ceased operating November 7 after a negative vote earlier in the week on a 2-mill property tax measure. At the end of service in a city which once had one of the strongest riding habits in the state, the Western Reserve Transit Authority was running 85 buses and employing a staff of 130. The WRTA replaced an earlier public agency in 1971, and faced declining ridership as the result of local steel mill closures and layoffs.

Aspen, Colorado, an affluent ski resort, will get three new buses through a just-announced UMTA grant. The buses, which will serve only the ski slopes, will cost taxpayers \$352,000. Colorado Senator Armstrong says he had no idea the buses were to be used to carry skiers only.

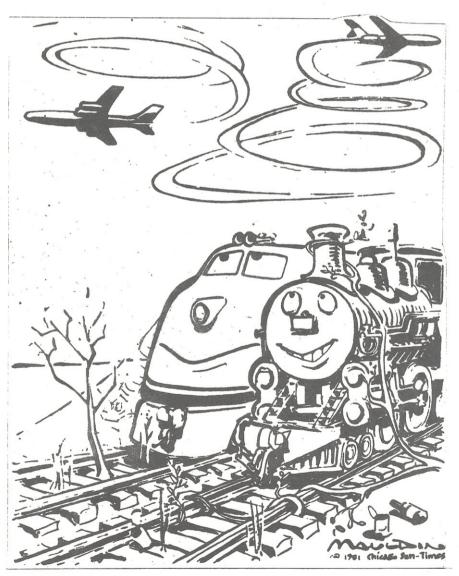
The Rockwell International trucks on New York's R-46 cars have caused so much trouble that they will be replaced by a "new" truck built to an old (R-44) design by Buckeye Steel of Columbus, Ohio . . . London Transport cut its bus and underground fares by an average of 25 per cent in October, fulfilling a campaign promise made by the city's new government . . . Philadelphia's SEPTA is considering issuing uniforms without pockets to keep employes from stealing fares . . . The San Diego Trolley has kept fare evasion to less than one per cent of its riders; by way of contrast, police in New York caught some 60,000 turnstile jumpers in the first six months of this year.

Reader E. Everett Edwards writes: "The Chicago Sun-Times editorial quoted in TC (10-30 Oct) would have one believe that what is happening to transit is unique to Chicago. It is not. SEPTA in Philadelphia is experiencing the same sequence of events-a 70% fare increase on the commuter rail lines in 3 rapid steps, followed by a 20% decrease in ridership, followed by massive service cuts, generating a further drop in riders. Doylestown dropped from 15 to 6 daily trips; most lines cut from 30 to 60 minute headways. Three diesel lines discontinued: Bethlehem, Reading-Pottsville and Newark. The remaining diesel line. Newtown, is restructured as the Fox Chase Rapid Transit line with 1-car RDC 2-man Broad Street Subway crew replacing 2-car RDC with 4man ConRail crew, but requiring transfer and separate fare increase at Fox Chase.

"Is Chicago really the highest fare at 90¢ with a 10¢ universal transfer? It doesn't compare with New York, requiring separate 75¢ fares on subway and bus, with many express bus routes at \$2.00, and the JFK Express subway at \$4.00, only a few minutes faster than the regular subway."



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