

One point became abundantly clear during the course of the public participation effort. There is little knowledge and even less understanding on the part of the public, including Government officials, about the actual costs off the American transportation system and its various components. There is also a lack of understanding about the way costs are computed and compared. In short, as many respondents said, "There is lots of confusion over what is and isn't on costs."

"If costs were figured accurately, roads might not always be built," remarked a highway official from a northern State. A southern rail employee said, "Highway planners have always compared the costs of highways to the cost of public transportation, and never included the cost of the automobile. Automobile costs must be included; otherwise, the cost comparison will not be fair."

From nontransportation workers we heard: "The cost of municipal services for the auto should be included in statements about the cost of the automobile transportation system." "We need information on the true costs of the car system (cost of health care, roads, parking, pollution from cars) to make accurate cost comparisons with other modes." "What is the cost of regulation?"

A misperception of many respondents was that motorists, through highway users' taxes pay all the costs of the automobile transportation system. In actuality, these taxes cover 70 percent of the cost of road construction and maintenance, administration and research, safety (including highway police), interest, and debt retirement. The remaining support comes from government revenues drawn from property and miscellaneous taxes, bond proceeds, investment interest, and general fund appropriations.

The OTA technical analysis shows that approximately \$28 billion was spent for highway purposes by all levels of government in 1977. The Federal Government provided about one-quarter of that amount. Federal financial support is not limited to highway projects, however. It included such things as special tax

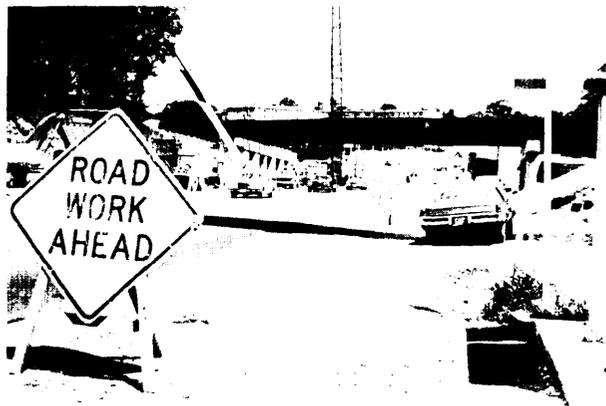


Photo credit Sylvia Johnson, 1979

Major road construction in urban Virginia

allowances for the fuel and materials industries, and R&D programs.

A substantial number of respondents viewed the Federal Government as "so heavily involved in the cost structure [of the automobile transportation system] that to back out would cause chaos." When some individuals would say, "Let's hope we don't turn to Government financing for personal transportation," the aforementioned respondents would counter with, "We're already there. Do we dig in further or get out?"

The confusion over what an individual pays and what the Government contributes to personal transportation stimulated discussion on private versus public financing of transportation systems. "Government interference in the automobile manufacturing industry should be discontinued at once. Let the manufacturers get back to competing for the marketplace. Free competition will lower consumer costs." "Government mandates elevate costs, said one



Photo credit U.S. Department of Energy



Photo credit Sylvia Johnson 1979

Confusion exists on the individual and public costs of personal transportation

group. Another said, "The Government must protect the consumer from industry price-fixing and price-gouging."

There appeared to be a slight preference among the respondents for "marketplace control of the costs" of the automobile (or "individual") transportation system. Some respondents thought this would bring car costs down. Others, however, felt that "full cost pricing" would cause substantial price jumps, and as a result "might change the face of personal transportation in the United States."

Opinion was about evenly split, however, on whether mass transportation should be publicly owned and operated, or owned and operated by private enterprise. There was wide agreement that mass transportation should be "cost competitive" with the car. Disenchantment with the Federal Government's management record, rather than the use of public funds for transpor-

Table 2.—Costs of Owning and Operating an Automobile, 1976 (cents per mile)

| costs ¹ | Type of auto | | |
|---|--------------|---------|------------|
| | Standard | Compact | Subcompact |
| Depreciation | 49 | 38 | 32 |
| Maintenance, accessories, parts and tires | 42 | 34 | 31 |
| Gas and O11 (excluding taxes) | 33 | 25 | 18 |
| Garage, parking, and tolls | 22 | 21 | 21 |
| Insurance | 17 | 16 | 15 |
| State and Federal taxes | 16 | 12 | 09 |
| Total costs per mile | 179 | 146 | 126 |

¹ Based on driving 10000 miles per year

SOURCE: Federal Highway Administration. Costs of Owning and Operating an Automobile, 1976, p 2

tation, was the main bone of contention in the discussions.

The use of public funds to provide mobility for the transportation disadvantaged met with no opposition, and there was little discussion on the amount of funds being or to be spent. The topic that did stimulate debate was the application of such funds. Do you provide separate transportation facilities for the disadvantaged, or do you provide transportation subsidies for disadvantaged individuals and let them choose which mode best suits their needs? Do you make all transportation accessible to all segments of the population?

Some individuals felt that mass transportation was a "welfare" issue and, as such, was appropriate for all "transportation disadvantaged." Welfare is thought of primarily in economic terms. The "transportation disadvantaged" from whom we heard most often were not as concerned about their ability to pay for services as they were concerned about the accessibility of transportation facilities. In many instances, they pointed out how much easier and more practical it was for them to travel in a car than on public transport. "Most public facilities—whether it's restrooms, movie theaters, or buses—are not built to accommodate short people (like children), slow-moving elderly people, people on crutches or in wheelchairs," they noted. The same is true of mass transportation. Low-income people pointed out that public transportation systems rarely served their destination requirements. In other words, said the "transportation disadvantaged" among the respondents, "public transportation is designed to accommodate the 'transportation advantaged'."

Because they are now predominantly dependent on the automobile, most of the respondents spent time discussing their worries about the out-of-pocket expense of cars. For the most part, the respondents perceived the purchase price of automobiles as higher than ever and rising rapidly. They were partially right. In fact, the cost of automobile ownership and operation (in constant dollars) decreased steadily from 1960 to 1973. Since then, however, the trend has reversed, due primarily to the increased costs of fuel, repair, maintenance, insurance, and emissions control and safety features.

With regard to repair and maintenance, the general feeling was that the industry should be encouraged by the Federal Government and pressured by consumers to make more durable, less complicated vehicles with less frequent exterior design changes and more practical internal design. "Detroit controls the auto industry and should be encouraged to develop a better product." "Obsolescence is a goal to be done away with." The complexity of equipment is exacerbated by Government regulations, many respondents charged.

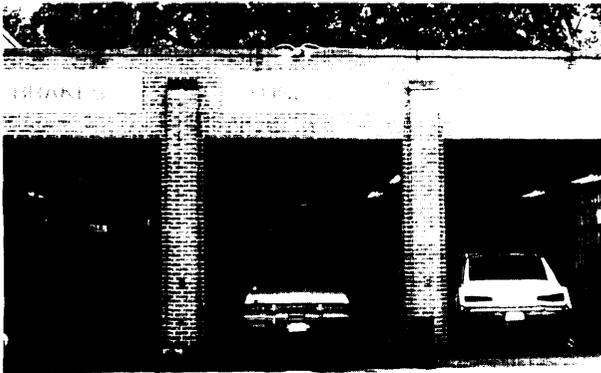


Photo credit Sylvia Johnson 1979

Repair and maintenance services

Feeling "ripped off," respondents complained bitterly about "inadequate," "poor," "overpriced," and sometimes "fraudulent" maintenance and repair services. Mechanics should be required to pass a "competency test" and be "licensed to practice," some individuals said. "There should be more public trade high schools or more vocational training" to increase the number of mechanics and improve their skills. "Car repair shops should be regulated" to ensure good and reasonably priced services.

Those who were annoyed by both the cost and shortage of parking—Washington, D. C., residents, in particular—often pointed an accusing finger at the Federal Government for not adhering to rules it mandated for many jurisdictions across the country. While Federal agencies are pressuring States to raise parking fees and reduce parking spaces, these same agencies are providing their employees with free or low-cost parking. Parking cost was often a factor in a respondent's opinion that the car was an unecological form of travel. In addition, many respondents were bothered by the "necessity" of owning more than one car, the decreasing financial value of vehicles after purchase, and the increasing operation costs.

Insurance was occasionally mentioned because of concern over rising premiums and the need for financial protection in case of accident. The four most common suggestions made by the respondents were that the Government should control insurance costs, "nationalize" the insurance industry, institute a nationwide no-fault insurance policy, require all drivers to have insurance.

The OTA study found that insurance costs have declined in real dollars since 1950. It is unlikely that such declines will continue because the number of accidents is expected to increase, and the cost of medical care and car repair are rising. Consequently, the OTA staff briefly examined three policy options to control consumer costs: national no-fault insurance and other modifications in insurance practices, Government regulation of repair practices, and Government incentives or standards to increase automobile durability and maintainability.

Respondents most frequently suggested increased mass transportation and increased ride-sharing to relieve congestion. The OTA study considered an additional measure—pricing—as a curb on congestion. Under a congestion cost-pricing scheme, motorists would be charged a fee to drive in specific areas during peak travel times. Theoretically, the fee would be proportionate to what a driver contributes to the total congestion of the area. A successful demonstration program of congestion cost-pricing was carried out in Singapore in 1975. The traffic restraint scheme included parking fees, area licenses, and a park-and-ride system to provide motorists with an alternative mode of transport.

tation. To enter a designated area where congestion was to be reduced, a driver had to display a supplementary license that could be bought in the post office or other public service areas. Mass transportation, including carpools, was exempt from the additional license requirements. Within 6 months after implementing the program, the volume of traffic entering the restricted zone had been reduced by 40 percent.

The economic structure of the automobile industry was briefly examined in the OTA assessment in terms of the number of jobs involved and the impact of the estimated costs of Government regulation. Many of the people we talked to preferred less Government regulation and more marketplace control over products and prices. A large number, however, were critical of what they perceive as "sluggishness" on the part of industry in innovation and quality control, attitudinal manipulation through advertising, and unwarranted profits. "Big industry has too much control. We should be more observant of industry impact on our lives," we heard many times.

Respondents felt that, in addition to looking at industry structure and performance, OTA should also consider the structure and performance of the Federal Government. The majority of the respondents were very critical of Government's management record. "The Federal Government should coordinate its activities better." "The Federal Government needs to do a better job leading, clean up its management efforts, and waste less money." "It is institutional, not technological, problems that constrain the development of decent transportation." "We feel that the Government should be an activator, not a controller." "The Government shouldn't own and operate anything; it should broker services,"

"The Federal Government belongs in the picture," a New Hampshire man told us, "but they've just mishandled things so far." He went on to explain that the "railroads are screwed up because they end up in congressional committees concerned with regulation. The highway program was successful because it was handled by a construction-oriented committee. If railroads had been the responsibility of the Public Works Committee instead of the Interstate Commerce Committee, railroads would be in good shape."

Others claimed that Government policies have distorted the development of an adequate personal transportation system. An Oregon man wrote, "Through your office, I appeal to our Federal Government to create a politico-economic environment wherein the intrinsic merits of each mode determine the nature and extent of its use. Unless Government ownership of roads and facilities for navigation and aviation ceases to distort relationships, equalization of opportunity to demonstrate merit demands comparably heavy public investment in railway facilities." Another said, "Federal money influences States to do wrong things, like building unnecessary interstates that they can't maintain, when the State road system is good enough."

Public investment in and the financing mechanism for the Nation's roadway network were examined by the OTA study. It was projected that road construction would taper off, and maintenance and repair activities would grow. In general, respondents indicated little desire for major new road construction anywhere in the country. "The Government shouldn't provide roads we don't need and can't afford," Instead they felt that efforts should be directed at "protecting the current investment" in the roadway network by promoting more efficient usage and better repair and maintenance. The OTA analysis highlighted the future need for highway maintenance and its spiraling cost. It was noted in the analysis that there is confusion over what actually constitutes "maintenance" and how such activity could be best financed. Some individuals felt that the Highway Trust Fund should be used to provide incentives for more efficient use of the Nation's highways and pay the costs of repair and maintenance. Many individuals opposed trust funds, saying that: "Trust funds are too rigid in long-range planning. They don't give Congress the flexibility to change according to needs." Such funds "tie us to one technology too much."

In sum, respondents felt that the cost structure of the American personal transportation system is so complex, and the Government's involvement in it so intricate, that it merits a far more detailed examination than the OTA study was able to give it. "The Federal Government should re-examine its overall transportation funding policies in order to discover and understand the inequities, before it attempts to modify or transform the system."